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CORRECTION

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Page 22, column 1, lines 9-12 of text

for 'third highest in the proportion of total taxes and social security contributions paid in taxes on income by households; third highest in the proportion of taxes paid by corporations;'

substitute
'highest in the proportion of total taxes and social security contributions paid in taxes on income by households; second highest in the proportion of taxes paid by corporations;'

GOVERNMENT AND ADMINISTRATION

Ministerial Appointments

The Prime Minister's Office announced three ministerial appointments on 23 January.

Lord Crowther-Hunt, previously Minister of State at the Department of Education and Science, becomes Minister of State at the Privy Council Office, and is the principal Government spokesman in the House of Lords on devolution questions.

Mr Gerald Fowler, MP, becomes Minister of State at the Department of Education and Science, with special responsibilities for higher education. He was formerly Minister of State at the Privy Council Office.

Lord Oram becomes a Lord-in-Waiting (a Government Whip) in the House of Lords.

It was announced on 5 February that Mr Albert Stallard, MP, had replaced Mr Laurence Pavitt, MP, as an Assistant Government Whip in the House of Commons.

For a complete list of United Kingdom Government ministers and subsequent changes see pp 258-61, 387 and 466-7, 1975.

Ministerial Memoirs

The Government has accepted in full the recommendations of a Committee of Privy Counsellors as to the rules and procedures which should govern the publication by former ministers of memoirs relating to their period of office. The recommendations are contained in a report published on 22 January.[1]

The committee's proposals are firmly based on the present conventions as they have developed over the years, which the committee argues should properly be regarded as concessions made to the author rather than as restrictions imposed upon him.

Committee's Recommendations

The committee recommends that an author should be free to use his ministerial experience for the purpose of giving an account of his own work, subject to restrictions on three categories of information. The first two comprise information relating to national security and to the United Kingdom's relations with other countries – in these areas the committee considers that information must be withheld from publication for as long as necessary, and that authors must be prepared to accept as final the judgment of the Prime Minister of the day as to what material it would be harmful to publish. The third category consists of information destructive of the confidential relationships upon which the British system of government is based. It includes information about the opinions or attitudes of colleagues regarding any Government business; advice tendered to ministers in confidence by individual officials; and personnel matters.

The committee's proposal is that authors should regard themselves as precluded from publishing information in all three categories for 15 years after the relevant events, or, in the case of advice by individual officials or comments upon their capabilities, until the people concerned have completed their official careers if that is the longer period.

On the question of enforcement of the proposed rules, the committee does not consider that satisfactory machinery is provided by the existing law. The committee does not recommend the definition of a new series of offences, but proposes instead that compliance with the conventions should be allowed to rest on the free acceptance by the individuals concerned of an obligation of honour. A minister should, in the committee's view, have his attention drawn explicitly, on taking and leaving office, to his obligations in relation to memoirs; and, as at present, a former minister proposing to publish a work relating to his ministerial experience should submit the manuscript to the Secretary of the Cabinet (a senior official) who, acting on behalf of the Prime Minister, should ascertain whether it conformed to the proposed rules.

The committee also recommends that the principles it has enunciated concerning publications by ex-ministers should be reflected in the rules governing the publication of memoirs and similar works by former members of the public services.

Government's View

Announcing the Government's acceptance of the committee's recommendations, the Prime Minister told the House of Commons on 22 January that the Government agreed that a voluntary code of conduct was preferable to new legislation, although the sanctions of the official secrets legislation, or any legislation that might supersede it, and, in an exceptional case, of the civil law, would continue to be available (*Hansard*, written answers, cols 521-3).

1 *Report of the Committee of Privy Counsellors on Ministerial Memoirs.* Cmnd 6386. HMSO, 55p. ISBN 0 10 163860 4.

All Government ministers would be informed of the new arrangements and, as recommended in the committee's report, would be invited to sign an appropriate declaration.

Northern Ireland

Recent moves to enforce law and order in Northern Ireland and at the same time to secure agreement about an acceptable system of government within the Province have been the subject of statements in the House of Commons by the Prime Minister and the Secretary of State for Northern Ireland respectively. The Prime Minister dealt in the main with the deteriorating security situation in South Armagh and the measures being taken to effect an improvement, while the Secretary of State was primarily concerned with the report of the Constitutional Convention (see below) and the reaction of the Government to it. [This has also been published in an official letter from the Secretary of State to the Chairman of the Convention.[1]]

SECURITY

The Prime Minister told the House (*Hansard*, 12.1.76, cols 27-41) that the Government had decided to treat County Armagh as a special emergency area following the murder of 15 people in South Armagh during the first few days of 1976 and after a year in which nine of the 14 regular soldiers murdered in Northern Ireland had been killed in the county as well as one regular policeman, one reserve policeman, five members of the Ulster Defence Regiment and 39 members of the civilian population. In these circumstances steps had had to be taken to strengthen the security forces and the army in Armagh had been reinforced by the Spearhead Battalion [the United Kingdom-based unit rostered for immediate readiness for overseas service] and troops of the Special Air Service Battalion to be used for patrolling and surveillance work wherever they might be required throughout the county. In addition, extra police, including the Special Patrol Group and the RUC's Anti-Assassination Squad, had been moved to the area and two units of the Ulster Defence Regiment called up for full-time duty.

The stricter security measures in force included: more checkpoints for vehicles and people; a more extensive use of personal identity checks; more house searches; additional surveillance operations, particularly along the border; and greater use of (a) powers under the Prevention of Terrorism (Temporary Provisions) Act 1974 to question people within a mile of the border, and (b) powers to arrest and question suspects with a view to bringing people to justice before the courts. In addition, the army was introducing a new information system, based on automatic data processing, to handle existing records, so that information could be processed and acted upon more quickly.

[1] Cmnd 6387. HMSO, 20p.

Co-operation with the Irish Republic

On the question of the co-operation which the Government of the United Kingdom was receiving from the Government of the Irish Republic Mr Wilson said that there was no doubt that the Government of the Republic was as determined as the United Kingdom Government to stamp out cross-country banditry and murder. Following a meeting between the Secretary of State for Northern Ireland and the Minister for Justice for the Republic on 8 January, the communications and operational contacts between the police forces of both sides had been strengthened and the programme of joint activity extended, and there was now close and valuable co-operation between the RUC and the Irish police. As to military links between the two sides, the Prime Minister explained, the whole concept of the functions of the army in the Republic was very different from the concept of the army in the United Kingdom. The Irish army did not have any legislative authority to exercise powers to control terrorism.

Inter-party Meetings

Referring to his proposal (announced on 7 January) that there should be formal meetings[1] between the Government, the Conservative Opposition, the Liberal Opposition, and relevant Westminster representatives from Northern Ireland to consider all aspects of security in the Province, Mr Wilson said that he could assure the House that talks of this kind would not in any way inhibit the right of any party or any member of Parliament to express the strongest possible criticism of anything with which they did not agree. However, the question of security transcended party differences in the House. 'We are all united', said the Prime Minister, 'in our determination to see terrorism dealt with. I do not claim that any group of hon Members . . . has a monopoly of wisdom and ingenuity in dealing with these matters and I shall be more than ready to welcome the possibility of ideas being put forward.'

NORTHERN IRELAND CONSTITUTIONAL CONVENTION

The 'inextricable link' in Northern Ireland between the restoration and preservation of law and order and politics was strongly emphasised by the Secretary of State for Northern Ireland, Mr Merlyn Rees, in his opening speech in the House of Commons debate on the report of the Northern Ireland Constitutional Convention[2] (*Hansard*, 12.1.76, cols 51-162). For the United Kingdom to abandon its responsibilities and let the inhabitants of Northern Ireland fend for themselves would, he said, be a grave mistake since it would not only precipitate violence in Northern Ireland on an even greater scale than had hitherto been seen, but might well cause that violence to spread to Great Britain and to the Irish Republic. 'Equally a united Ireland is not within the gift of this Parliament', said Mr Rees.

[1] The first of these meetings took place on 15 January.

[2] *Northern Ireland Constitutional Convention – Report together with the Proceedings of the Convention and other Appendices.* HMSO, £2·45. ISBN 0 10 200176 6. Presented to Parliament November 1975 (see p 428, 1975).

Historical Background

The history of Northern Ireland, the Secretary of State reminded the House, was that of a divided society in which the political and social conflicts had prevented constitutional solutions from gaining permanent acceptance. The Stormont Government had come to an end (see p 136, 1972) because there had been no basic consensus for that form of government. The constitution which followed (see p 231, 1973) had been devised after the most intensive discussions by the previous Administration with all those political parties in Northern Ireland which had been prepared to contribute to that debate (see p 155, 1973), but it had collapsed, as a constitutional framework, in the face of the Ulster workers' strike (see p 199, 1974) and in any case had not had a sufficiently firm base in Northern Ireland. The Government had then decided that the people of Northern Ireland should be given an opportunity, through elected representatives called together for the purpose, to put forward recommendations as to how they thought Northern Ireland should be governed (see p 247, 1974). The Convention's report (see below) had displayed a greater measure of agreement between the parties in the Convention than had hitherto existed, but in the Government's view the total system proposed did not command sufficiently widespread acceptance throughout the community to provide stable and effective government.

Convention Report

The Convention held its first substantive debate in June 1975, when the leaders of the various parties pledged themselves to work towards an agreed system of provincial government. In July, when it adjourned for the summer recess, there were still basic differences of opinion between them. Informal inter-party talks, involving the exchange of outline policy documents,[1] which had begun before the recess and continued throughout late July and August (see p 428, 1975), likewise failed to solve the problem. When the Convention was dissolved on 7 November, after voting by 42 to 31 that the United Ulster Unionist Coalition's report should be presented to the Secretary of State as the Convention's final report, fundamental differences remained.

In the report presented to the Secretary of State this inability of the Convention to agree on fundamentals was explained as deriving from the complete divergence of view between the United Ulster Unionist Coalition which remained 'convinced that maximum stability will be obtained with a Prime Minister and executive chosen on conventional parliamentary lines', and the Social Democratic and Labour Party and other groups, which favoured a 'power-sharing' or 'coalition' system. On the other hand wide areas of agreement between the parties were noted, especially on such subjects as, for instance: the re-establishment of a devolved administration within the United Kingdom; the provision in some form or another in any new system for greater participation by representatives of the Northern Ireland minority; and the introduction of a Bill of Rights. The final conclusion was that 'since it is probably fair to regard "power-sharing" or "coalition" as the only barrier to substantial agreement', the Government should 'make all haste to end the political vacuum, defeat terrorism and, recognising the political realities, restore devolved government to Northern Ireland'. In the interim, it was recommended, the Convention should continue in being as a representative forum of the people of Northern Ireland . . . and to tender advice to the Secretary of State.

Among the detailed conclusions reached in the report were:

That Northern Ireland should be administered by an elected body and an executive empowered to legislate and govern and to be known as the Parliament and Government of Northern Ireland;

That legislation affecting devolved matters should be enacted by the Queen in Parliament – the Queen to be represented in Northern Ireland by a Governor who should exercise such constitutional function and perform such ceremonial duties as she was not able to perform in person;

That there should be a Privy Council in Northern Ireland in which some places should be offered to leading members of major opposition parties;

That the number of Northern Ireland members of Parliament at Westminster should be increased [from the present total of 12] to between 20 and 24;

That the devolved government for Northern Ireland should have powers broadly similar to those conferred by the Government of Ireland Act 1920 [see pp 412-3, 1969];

That the government should be responsible to Parliament and the Cabinet collectively responsible for its decisions;

That a committee system should be devised to give real and substantial influence to an opposition and to make Parliament more effective;

That there should be a departmental committee of eight to ten backbenchers, drawn equally from government and opposition supporters, to cover each government department and to be involved in the legislative process and scrutiny of government action relating to that department;

That it should be the responsibility of a strong regional government to deal with and determine social and economic problems and priorities;

That there should be provision for (i) divergencies in approach to spending [in Northern Ireland] as compared with the rest of the United Kingdom, (ii) supplementary financial assistance related to Northern Ireland needs from the United Kingdom Government, and (iii) scope for some Northern Ireland variations in taxation;

That there should be a Bill of Constitutional Rights to guarantee the stability and integrity of the Northern Ireland constitution, and a General Bill of Rights and Duties to protect the rights of individual citizens;

That good neighbourly relations with the Irish Republic should be welcome, but that imposed institutionalised associations should be rejected.

[1] Published in Appendix 2 to the Report. Proposals in principle for the Government of Northern Ireland by all parties were published in Appendix 3.

Government Response

In his speech in the House of Commons (and in his letter to the Chairman of the Convention – see p 52) Mr Rees said that the Government had now reached conclusions on a number of points in the report, summarised as follows:

System of Government. The Government accepted in principle the recommendation that power should be returned to a government in Northern Ireland – provided that the necessary agreement could be reached. This would involve the creation in Northern Ireland of a separate unicameral Assembly and a government with power to legislate for, and to administer, a wide range of matters within Northern Ireland. The transferred subjects could include all those transferred in 1974 under the Northern Ireland Constitution Act 1973 (see p 231, 1973).

Law and Order. The Government agreed that responsibility for law and order in the Province [which had been exercised by the Northern Ireland Government under the Government of Ireland Act 1920] should be gradually transferred to a future Northern Ireland administration, in conformity with the broad aims shared by all parties in the Convention. But there would be some matters, including all judicial appointments and the administration of the courts, which it would be 'inappropriate' to transfer. Also, as long as the armed forces (which were under the control of a Minister accountable direct to Parliament) were involved in internal security in Northern Ireland, the Secretary of State would have to remain responsible for security policy, and as long as he retained that responsibility, the responsibility for emergency legislation would remain with the United Kingdom Parliament.

As to the police, the Government would be prepared to transfer responsibility to a new Northern Ireland legislature and executive once the armed forces had been reduced to a peace-time level – which would depend upon an increase in civil policing by the RUC, but above all upon a reduction in the scale of violence in the Province. Parliament would, however, expect that the practices observed in Northern Ireland would continue to follow the standards and traditions which were common to the whole United Kingdom; and it was clear that close liaison on internal security between the Secretary of State for Northern Ireland and a Northern Ireland executive would be necessary. Transfer of responsibility for administration of the prison service and of the treatment of offenders generally would take place not later than the transfer of responsibility for the police.

Representation at Westminster. The Government did not feel able to recommend a re-examination of the question of the number of Northern Ireland constituencies returning members to the United Kingdom Parliament in advance of an agreement on a system of government [in the Province] commanding the most widespread acceptance.

Committee System. The Government recognised that a committee system represented a constructive attempt to involve opposition parties more closely in government, and considered that such a system might be of value as part of a wider and acceptable constitutional framework which would provide adequately for partnership and participation on a basis which commanded the most widespread acceptance.

Financial Arrangements. It was the Government's intention to give to any new Northern Ireland administration as wide a financial discretion (particularly in relation to the determination of priorities among the various transferred services) as would be consistent with maintaining the unity of the United Kingdom economy, and with the Government's retaining the powers necessary to manage the economy as a whole – powers which included the power to decide what share of the total amount of public expenditure in the United Kingdom should be allocated to meeting the needs of Northern Ireland.

Those who argued in favour of independence ignored the 'economic weakness' of Northern Ireland and its lack of natural resources. The forecast of public expenditure there for 1975-76 was about £1,300 million. The 'plain fact' was that Northern Ireland could not sustain anything like its present living standards if it were not part of the United Kingdom. The Government was conscious of the special industrial and social problems of the Province, and of the need for them to be taken into account when allocations of expenditure were determined. But decisions of this kind could not be taken in isolation; they had to be taken by the United Kingdom Cabinet in the light of the needs of all parts of the United Kingdom.

Bill of Rights. The Government would consider how best to make appropriate statutory provision for human rights in the light of the detailed study being undertaken by Northern Ireland's Standing Advisory Commission on Human Rights (see p 6).

The Irish Dimension. The Government took the view that while arrangements for co-operation with the Republic were desirable, they should evolve positively and naturally as and when the need for them arose and was generally recognised and accepted. Such arrangements did not require an institutional framework, such as a Council of Ireland (see p 5, 1974).

The Convention Re-convened

The Secretary of State announced that it was proposed to reconvene the Convention [on 3 February] to give it an opportunity, through discussion and further exchange of views, to reach that wider area of agreement which was essential if there were to be an effective transfer of power, the ending of direct rule, and a basis for stable government. Political agreement would not only make a major contribution towards dealing with security problems in Northern Ireland, but it would employ more productively the energies of those who had local knowledge and interest and would create a community united in its devotion to the task of finding a solution to Northern Ireland's serious social and economic problems–'not least unemployment'.

The three matters which the Convention were being asked to reconsider were:

a how best agreement could be reached on a system of government built on the principles on which

there was already a considerable measure of accord, that would also provide for a form of partnership and participation and would command the most widespread acceptance throughout the whole of the community in Northern Ireland and in both parts of that community;

b whether a committee system might be of value as part of a wider and more acceptable constitutional framework; and

c whether progress could be made on the basis of setting up a system of government which, though not temporary, would be capable of evolving over a period of time into permanent and agreed constitutional arrangements.

The 'prime requirements', the Secretary of State repeated, were for a more widespread acceptance throughout the community of any proposed system of government and for some form of acceptable partnership and participation. If these requirements could be met, he said, 'we could be in sight of a government within Northern Ireland which is common ground for us all. I hope that the Convention can make progress on these matters within a period of four weeks.'

EXTERNAL AFFAIRS AND DEFENCE

Britain and Europe

Britain's approach to a number of issues in European affairs was outlined in a speech entitled 'Building Tomorrow's Europe' delivered by the Secretary of State for Foreign and Commonwealth Affairs, Mr James Callaghan, to the Ubersee Club of Hamburg, in the course of a visit to the Federal Republic of Germany and Berlin on 22 January. Mr Callaghan began by drawing attention to the historic ties which existed between Britain and the city of Hamburg, and then went on to the main topic of his speech, 'building tomorrow's Europe'.

The Secretary of State said that, despite Britain's world-wide relationships, she had long recognised her role in Europe; this had been demonstrated by the result of the referendum held on Britain's membership of the European Community in June 1975 (see p 227, 1975). 'Now we have had a clear verdict', he said, 'the British Government intends to play a positive and constructive role in the Community.' This did not mean that there was agreement in Britain as to what form the British contribution should take and what kind of Europe should be built; these differences were also reflected amongst other members of the Community. But this did not constitute a crisis in the Community, nor was the Community about to collapse. 'The Community is firmly established', Mr Callaghan said. 'There is not the slightest prospect of it collapsing. On the contrary, with every passing year, it becomes more and more unthinkable that it will be dismantled.' Mr Callaghan said that the real question facing European statesmen was: how best could they ensure the development of the European Community in a way that added to the influence and prosperity of the citizens of the member states?

Future Development of the Community

Some felt that the only way forward was by way of a supranational or federal system, while others preferred an inter-governmental approach whereby ministers responsible to their national parliaments decided what they wanted to do together. The Secretary of State said that there was a case for either approach, but he posed the question of which was the more realistic and which was likely to be more politically acceptable. 'My personal difficulty with the classic supranational approach', he said, 'is that it does not take sufficient account of our history. You do not stifle a strong sense of national identity by attempting to submerge it in a wider amorphous loyalty.' National identity should not be equated with nationalism, he continued. Nationalism had done much harm and was inadequate to deal with the problems of the modern interdependent world. But a sense of identity with fellow-countrymen and a sense of pride in one's country was something precious, to be built on for the general good. Mr Callaghan warned that hasty attempts to discard a sense of national identity in favour of a European identity might end up by recreating all the evils of nationalism.

Mr Callaghan then discussed some of these issues as they were dealt with in the report of M. Tindemans, the Prime Minister of Belgium, on European Union (see pp 59-61). The Secretary of State said that he had read the report with interest and admiration; M. Tindemans had tried to avoid further argument between the federal or supranational approach and the inter-governmental approach, and had instead indicated a range of issues on which member countries could work together in the coming years in order to promote greater unity. Mr Callaghan (who said that, unlike M. Tindemans, he was not a federalist) expressed support for M. Tindemans's general theme that it was in the interests of all peoples of member countries that the Community should be a success. Some of the proposals in the report ran parallel with his own ideas but he could not comment officially until his colleagues had had a chance to study the report.

The Community and the World

Mr Callaghan then turned to a consideration of some of the main areas of concern in the development of the Community. Assessing progress since enlargement, he said that the Community had considerable economic strength, and that the outside world was becoming more aware of this. For example, the Community's relations with the developing world had been put on a completely new basis. In this context, Mr Callaghan referred to the Lomé Convention (see pp 51-3, 1975) agreed between the Community and 46 African, Caribbean and Pacific countries; the position of the Community and other industrialised countries in the matter of commodities and raw materials (see pp 314-5, 1975); and development aid (see p 53, 1975).

In the field of political co-operation, said Mr Callaghan, the Community had also made impressive progress. A common position had been worked out and maintained at the Conference on Security and Co-operation in Europe (see pp 305-12, 1975), and Community relations with the United States were on

a much sounder footing. The dialogue between the Community and the Arab states was advancing steadily, attempts to co-ordinate policies at the United Nations were generally successful, and discussion amongst foreign ministers of the Community in the framework of European political co-operation was continually widening. 'In short', said Mr Callaghan, 'European statesmen are developing what I call a "co-ordination reflex", that is an instinctive habit of continuous consultation with each other to find common answers to problems as they arise.' For instance, he believed that the emergence of Portugal as a democracy was being 'substantially influenced by the common positions adopted by the Nine and by our encouragement of the democratic forces in that country'.

He welcomed the action of China (which took a favourable view of prospects for further European integration) in accrediting an ambassador to the Community and noted that Canada and Iran were seeking a special relationship with it.

Developments Within the Community

Turning to a consideration of developments within the Community, the Secretary of State said that the Community had faced a stiff test as a result of the world recession, inflation and rising prices. This, though it had not led to a dramatic step forward, had led to a growing recognition of the mutual interdependence amongst members, although the causes of inflation and unemployment were so deep that the Community could not insulate itself from their effects. Co-operation with the United States, Japan and the developing world was still necessary, Mr Callaghan said.

Even if there had been a full European economic and monetary union in existence, he continued, the Community still could not have insulated itself from the effects of the world recession. It was not enough that economic and monetary union was an objective for the future, when there was no agreement on what was needed to achieve it. Mr Callaghan again referred to the report of M. Tindemans, which had stated that no solution on economic and monetary union had yet been found which was acceptable to all member states. 'The truth is', said Mr Callaghan, 'that the Community cannot advance rapidly in the direction of economic and monetary union without a massive transfer of resources from the richer member states to the poorer member states.' This, he said, would be difficult to realise, as the Tindemans report implicitly recognised. As a result, the report had suggested a Community approach whereby every member would move towards the same objectives, but those members who were capable of greater integration in the economic and monetary fields would be encouraged to go ahead of other members.

A Two-tier Community?

Mr Callaghan said that the British Government would give careful consideration to this suggestion for a 'two-tier' Community, but warned that it could have unforeseen political and economic consequences, which could be underlined by the addition of new states such as Portugal and Greece. The consequences of a two-tier Community might be the opposite of what the Tindemans report desired. 'Would the creation of two tiers', asked Mr Callaghan, 'make the divisions between the member states deeper than they are now, and more likely to be permanent, than if we stick to a single tier?

'If over a period of time the belief that the second tier would attain the same level as the first tier should prove false, and on the contrary the distance between the first tier and the second tier were to grow substantially greater, this could have serious consequences for the Community's future.

'I have said already that I believe the Community is here to stay. The only doubt in the back of my mind when I say that is whether the creation of two tiers could eventually end in the break-up of the Community.' Mr Callaghan reaffirmed that the British Government had not yet studied this matter in depth; he was, he said, simply raising some of the questions that would have to be answered.

Areas of Progress

Mr Callaghan then discussed Britain's economic performance, the fight against inflation and the continuing policy of industrial restructuring. He spoke of the development of Community regional policy and British and German initiatives for the rationalisation of the Common Agricultural Policy and for better financial control. He reaffirmed Britain's willingness to co-operate fully on matters such as constitutional improvement, passports, social policy and energy policy. The Secretary of State singled out one area where progress could be made, when he referred to the issue of direct elections to the European Assembly (see pp 476-7, 1975). Shortly after Britain, Denmark and the Irish Republic joined the Community, he said, 1978 was set as the target date for direct elections to the European Assembly. He claimed, on behalf of the British Parliament, adequate time to consider this problem and examine the political, constitutional and financial implications of such a move. Mr Callagahan pointed out that his reservations were on grounds of practicality and not reservations of principle, and said that to meet the target date would require a major legislative effort, a high level of political agreement and considerable electoral organisation. It was not impossible but by no means certain that this could be achieved by 1978. However, he affirmed Britain's 'firm intention that British delegates should be elected to the European Assembly and not nominated'.

Turning to the question of Community energy policy, the Secretary of State said that it must be given a high priority in order to ensure the best use of indigenous resources and, as far as possible, protect the Community from the vagaries of the world market. In this field, said Mr Callaghan, Britain had much to contribute. 'By 1980 we confidently expect to achieve net self-sufficiency in energy. Our North Sea fields will then be producing between 100 and 130 million tons of oil a year. Our coal production will also, I trust, be steady at around 120 million tons a year.' Expressing his satisfaction at the fact that Europe was now moving rapidly towards acceptance of the idea of a minimum safeguard price for oil, Mr Callaghan said: 'It will be a great help to the Community that by the 1980s Britain will be producing 90 per cent of the Community's total oil production and 45 per cent of all its energy production, and we are ready to assist in working out an energy policy that will be of benefit to us all.'

The Council of Europe

After referring to his hopes for progress along democratic lines in Spain and in Portugal, Mr Callaghan discussed the work of the Council of Europe. The Council, he said, performed a service which neither the North Atlantic Treaty Organisation (NATO) nor the Community could, by providing a forum for all the democracies of Western Europe. The Council's 18 members, he continued, had many common interests and problems, and the members of the Community should regard the Council as their chosen instrument for retaining and developing essential links with those colleagues beyond the Community. Mr Callaghan expressed strong support for the work the Council of Europe had done in furthering democratic developments in Spain and Portugal and so 'building on a reputation already well-established during the dark days of dictatorship in Greece'. He added that with various trade agreements signed and with the framework for political dialogue which the Council of Europe provided, the prospects for co-operation between the countries of Western Europe were good.

East-West Relations

Mr Callaghan stated that it was imperative that Western Europe should conduct its dialogue with the East from the security of a sound North Atlantic alliance. It was the common policy of the United Kingdom, the Federal Republic of Germany and all other NATO allies and Community partners to work for the easing of tension and growth in mutual confidence and co-operation in Europe. The Community had made an important contribution to this by its cohesion during all stages of the Conference on Security and Co-operation in Europe. 'But', Mr Callaghan continued, 'so long as the Soviet Union and her allies devote so much of their resources to armaments, *détente* must also be matched by an adequate defence capability that is sufficient to deter.' In this context, Mr Callaghan said that criticisms of Britain's commitment to Europe failed to take into account her long-standing contribution to NATO. '. . . for over 25 years,' he continued, 'as members of the North Atlantic Treaty Organisation, German and British soldiers have shared together the responsibility of keeping Western Europe a peaceful and democratic place in which to live. There cannot be a more solid commitment to Europe than for my country to concentrate much of its fighting strength, in the Army and the Air Force, on the defence of German soil, and to station its soldiers and airmen physically in Germany.'

But, said Mr Callaghan, neither side could be content with a situation in which so many resources were locked up for military purposes. It was necessary to put renewed effort into making a success of the Vienna talks on mutual and balanced force reductions (see p 10), as well as looking forward to progress in the US-Soviet talks on strategic arms limitation, and on matters of nuclear control.

He did not believe there was a danger that the Soviet Union would mistake a willingness to negotiate for weakness. 'Far more dangerous would be a Soviet Union excluded, as she saw it, from a rightful role won by great sacrifice, and contributing to instability rather than to peaceful solutions.' Nevertheless, the process of *détente* had still much further to go before it was firmly established. The propaganda battle continued and he asked 'whether an active commitment to a world-wide ideological struggle can be reconciled with the real interests and well-being of the Soviet people'. Mr Callaghan referred to what was taking place in Angola which, he said, had shaken confidence and had given the opponents of *détente* a new opportunity. This had been a serious mistake but not beyond repair provided it was accepted that the long-term prospects for relaxing tension and for world peace depended to a great extent on establishing a process of on-going negotiation based on mutual interests and respect.

In summing up, Mr Callaghan stated that the last two years had confirmed the interdependence of nations, which meant close and constructive co-operation between Europe, the United States and Japan, and the developing countries. It also meant close co-operation amongst Community members. 'The co-ordination reflex is important in political as well as economic matters. All of us accept that the great change since the end of the second world war is the relative decline in the capacity of the old nation states of Europe when they act alone, to determine world events.' But, said Mr Callaghan, these countries had a great deal of experience and knowledge relating to many problems and areas of the world. There was growing awareness and respect for the 'Community position' in world affairs. 'Whether the problem be democracy in Portugal, human rights in Chile, or peace in Angola – the Community acting together can have more impact than each of us acting separately. The European Community,' he concluded, 'must be outward-looking on the world, using its political and economic influence to promote peace, an expansion of world trade and real and tangible assistance to the world's poor.'

European Community

With the beginning, on 1 January 1976, of the fourth year of its membership of the Community, Britain took another transitional step towards full trade integration with the original member states.[1] Tariffs between Britain and the original six members, as well as the difference between British tariffs on trade with third countries and the Community's common external tariff, were both reduced by a further 20 per cent, bringing the cumulative reduction in each case since British accession to 80 per cent.

At the end of 1975, the Belgian Prime Minister, M. Tindemans, presented other Community heads of Government with his report on European Union. This is examined in the following article, together with recent developments in the Community's

[1] Free trade in industrial products between Britain and Denmark and Britain and Ireland is already effective under the 1960 Stockholm Convention (in the case of Denmark) establishing the European Free Trade Association, and the 1965 Anglo-Irish Free Trade Agreement.

Mediterranean policy, measures to increase co-operation among Community members in the field of education, and the signing of the Community Patent Convention.

TINDEMANS REPORT ON EUROPEAN UNION

Britain is examining carefully the 'important suggestions' contained in the report on European Union drawn up by the Belgian Prime Minister, M. Leo Tindemans.

In a written answer (*Hansard*, 20.1.76, cols 409-10) the Minister of State for Foreign and Commonwealth Affairs, Mr Roy Hattersley, said that the Foreign Secretary, Mr Callaghan, welcomed M. Tindemans's general approach, and in particular his stress on the need for the Community to be outward looking. 'His report contains a number of important suggestions which will serve as a stimulus to discussion in the Community. The Government will examine them carefully before the report is discussed at the next European Council', Mr Hattersley said.

Mr Callaghan made some preliminary personal observations on the report, as well as comments on other Community issues, in a speech delivered in Hamburg, an account of which is given on pp 56-58.

M. Tindemans presented his report to other Community heads of Government at the end of December in accordance with the request made at the European Council meeting in Paris in December 1974 (see p 10, 1975) that he should define what was meant by the term 'European Union'. During 1975, M. Tindemans held extensive consultations with Community institutions, member Governments, and other interested parties to ascertain their views.

The following is a summary of M. Tindemans's findings. The italic side headings are chapter titles.

Summary of Report

M. Tindemans regards European Union as a new phase in the continuous process of unification (which, in his personal view, should lead to the final goal of a federal Europe).

A Common Vision of Europe

His report argues that the idea of Europe has lost much of its initial momentum. The Community is an unbalanced, unfinished edifice, which, if not completed will crumble. The public wants a Europe in which European Union is noticeable in their daily lives, where democracy is increased and the solidarity of peoples evident. Once the building of the European Union has acquired its own momentum, there should be a new 'legal text' to enshrine changes which have been made.

The basic elements of European Union are listed by M. Tindemans as follows:

1 Co-ordinated action in 'all the main fields of our external relations whether it is a question of foreign policy, security, economic relations or development aid'.

2 'A common economic and monetary policy . . . common policies in the industrial and agricultural sector and on energy and research to safeguard the future.'

3 A regional policy to correct inequalities in development and counteract the centralisation of industrial societies; and social action to reduce inequalities of income.

4 A contribution to the protection of citizens' rights and to the improvement of their lives.

5 Institutions with sufficient authority, efficiency and legitimacy, which continue to respect the principle that each member state has equal right to participate in decision making.

6 The progressive construction of European Union requires 'the political commitment of the states to carry out specific actions in fields selected according to their importance and the chances of success'.

The report goes on to say that these elements are interconnected. The European Council will need to take its decisions aware that they will involve 'a transfer of competences to common institutions. They cannot occur without a tranfer of resources from prosperous to less prosperous regions. They cannot occur without restrictions, freely accepted, certainly, but then enforced unreservedly. This is the price of Union.' The alternative is seen as an enfeebled Europe, without conviction or future.

M. Tindemans then goes on to examine in more detail each of the elements of European Union he has listed.

Europe in the World

The report maintains that European Union should include the means for dealing with all aspects of external relations: political, security, commercial, economic, industrial and financial.

The distinction between ministerial meetings in the political co-operation and Council of Ministers frameworks should be abolished so that Community institutions might be able to discuss all problems affecting Europe and coming within the competence of the Union.

M. Tindemans suggests that member states should decide those fields on which a common policy should be agreed, and these should gradually be extended. Immediately, the Community's member states should concentrate on four key questions:

1 A new world economic order. The members of the Community, M. Tindemans considers, should present a united front in negotiations with other countries, and should nominate representatives when necessary to carry through a policy in the name of the Nine collectively. They should progressively transfer to the Community national disbursements of development aid, and co-ordinate other national aid activities. Common positions, the report adds, should be adopted with regard to political problems in relation to the Third World.

2 Relations with the United States. M. Tindemans describes relations with that country as of 'prime importance in the political field, in defence, in economic affairs, not only on account of the interdependence of the United States' and European economies, but also because of the joint responsibility which the Rambouillet meeting of December 1975 [see p 483, 1975] has once again underlined'. He suggests that the European Council should delegate one of its members to discuss with the

United States a common study of the nature and content of US-Community relations.

3 The report stresses that European Union will not be complete until it has a common defence policy. Since member states are not yet in a position even to discuss a general approach to this problem, they should decide to have regular exchanges of views on specific defence problems, including those connected with multilateral negotiations, and to co-operate in arms production by the creation of a European armaments agency.

4 Crises in the European region. The Nine should act together in all important political questions arising in Europe and the Mediterranean area.

M. Tindemans concludes his discussion of external relations by emphasising that the European identity must be asserted in international gatherings. Relations must be defined with China, Canada and Japan, and particular attention should be paid to other democratic European states. There should be a review of the medium-term external relations of the European Union.

'In order to ensure . . . a common front and . . . common action in relation to the outside world, our states will gradually wish to submit the greater part of their external relations problems to a common policy, and they will accept the constraints imposed in consequence. In order to give the necessary new impulse to the dynamic process of Union, they should now take in a number of selected sectors certain binding political commitments. During the gradual development of the European Union, these will have to be enshrined in legal obligations which will confirm the qualitative changes which the Union seeks to achieve.'

European Economic and Social Policies

M. Tindemans points out that the Community in recent years has failed to make progress in the field of economic and monetary union (EMU)'and unless it does so European Union will be meaningless'. The European Council should therefore relaunch the debate within the Community's institutions in the spirit of the proposals made in the 1969 Werner Report and subsequently. This would entail a new approach in which member states who can make progress should do so, while those who cannot should receive aid from the others to enable them to catch up. They would in the meantime participate in the common decision-making process.

The report considers that the 'snake'[1] should be reinforced and extended, with members who do not participate in the snake nevertheless participating in related decision-making. The European Council should reaffirm EMU as a long-term goal, and the Commission should make an annual progress report and propose the next moves.

These actions should be supported in the industrial sphere by collectively safeguarding the member states' innovative and high-technology resources; in the energy field, by adopting a common energy policy, including an emergency sharing scheme and investment support measures; and in the research field, by concentrating on projects directly linked to common policies, or where the required resources are beyond the capacity of individual members.

The report considers that social and regional policies are an essential element of European Union. The Social Fund should be used increasingly to right any imbalances arising in the Community, and later directly in the fight against unemployment. Regional policy will necessarily entail a transfer of resources from richer to poorer regions. It will 'have to expand gradually in step with progress made in aligning the economic and monetary policies of the member countries' with funds allocated on the basis of objective criteria without national quotas.

A Citizens' Europe

M. Tindemans considers that the need for the construction of Europe, its advantages and its gradual achievement 'must be perceived by everyone so that effort and sacrifices are freely accepted. Europe must be close to its citizens.' The social policy of the Union will play its part in this respect; but, in addition, progress should be made in the protection of fundamental rights, consumer protection and the control of the environment. There should also be visible symbols of solidarity. Apart from the passport union currently under discussion (see p 477, 1975), this should involve the abolition of frontier controls on personal movement; the simplification of reimbursement for medical expenses incurred outside the home country; educational exchanges, including mutual recognition of qualifications; and co-operation among information media, especially in connection with possible direct election campaigns. In addition, a European foundation for promoting contact between the peoples of the Union, attracting private as well as government funds, should be established.

Strengthening the Institutions

M. Tindemans says that direct elections to the European Assembly will give it 'a new political authority. At the same time it will reinforce the democratic legitimacy of the whole European institutional apparatus.' The Council of Ministers should undertake to consider the resolutions the Assembly addresses to it and such a right of initiative by the Assembly should subsequently be enshrined in a Treaty amendment. The Assembly should also hold general political debates including an annual debate on the state of the Union.

As regards the European Council, the report considers that its role should be to lay down general and coherent policy guidelines and to use its authority to provide the motor force for the construction of Europe. The Council of Ministers (Foreign Affairs) should co-ordinate the work of Councils attended by specialist ministers, and the distinction between Council and political co-operation ministerial meetings should be abolished, without affecting the procedures used for their separate preparation. M. Tindemans emphasises that 'recourse to majority voting in the Council should become normal practice in the Community field', and, where common policies are to be agreed in the field of external relations, the minority must accept the view of the majority. In the interests of continuity, the term of the Presidency should be extended to a

[1] An arrangement among Community countries other than Britain, Ireland and Italy (Sweden and Norway are also associated with it) to narrow the margin of fluctuation between their currencies while floating jointly with regard to other currencies.

full year, and specific tasks (for example, a negotiation or a study) should be entrusted to one or more persons regardless of changes in the Presidency.

Turning to the Commission, the report considers that within agreed common policies, the Commission should have freedom of action. The President of the Commission should be appointed by the European Council and confirmed by the Assembly, after which he would appoint the rest of the Commissioners.

With regard to other Community institutions, M. Tindemans foresees increased roles for them. He notes that the principle of the delegation of executive power is essential to the building of European Union.

General Conclusion

The report suggests immediate tasks for member Governments and Community institutions. Firstly, they should agree on the aims and main features of the Union; then set out the consequences of this choice; and lastly set in motion by positive action the task of attaining the Union, while strengthening the Community's institutions to enable it to cope with the task.

Other European democratic states will want to join the undertaking, M. Tindemans continues, and this will be open to them as long as they accept the prospects and constraints of the Union and do not retard its development. The attainment of European Union is essential because of the progressive reduction of the influence of European states in the world and the reduction of their internal room for manoeuvre. 'It is the only answer which seeks everywhere to regain some of the control and power which is slipping from us, and to enable us to build the society in which we want to live.'

EXTERNAL RELATIONS

The Mediterranean

Negotiations for new trade, aid and co-operation agreements with three Maghreb countries were concluded during January. The agreements, negotiated between the Commission and Algeria, Morocco and Tunisia under the Community's 'global approach' to countries bordering the Mediterranean, are expected to be signed at the end of February or early March.

The conclusion of the negotiations marked the end of a second stage in the Community's Mediterranean policy, which was formulated in 1972 by the six original member states and the three acceding countries, and is designed to liberalise trade between the Community and the countries of the Mediterranean basin by means of a 'global' offer of similar forms of agreement. The first such agreement reached was with Israel in May 1975 (see p 230, 1975).

In the case of Morocco and Tunisia, the new agreements will replace existing arrangements concluded with the original members of the Community in 1969 and adopted by Britain in 1974.

The agreements, which are broadly similar, provide for duty-free entry into the Community for industrial products from the three countries. Britain will eliminate duties on such products at the end of its transitional period in July 1977. For a number of specified agricultural products, Community tariffs have been reduced. Industrial, commercial, scientific and technological co-operation are to be promoted, and provisions are included for improved treatment for migrant workers from the Maghreb.

With regard to financial co-operation, over a five-year period Tunisia will be eligible for 95 million units of account (mua) of Community aid, Morocco, 130 mua, and Algeria, 114 mua.

The Commission is shortly to begin the third stage of the Community's Mediterranean policy following agreement by Community foreign ministers meeting in Brussels on 20 January on a mandate for negotiations with the Mashraq countries of Egypt, Lebanon, Syria and Jordan.

Malta

Negotiations to extend the association agreement between the original members of the Community and Malta to the three acceding countries were concluded in December. A new financial protocol granting Malta financial assistance was also agreed.

Under the 1971 EEC-Malta Association Agreement, most Maltese industrial goods enter the original member states at a preference of 70 per cent, while most Community exports enter Malta at a preference of 35 per cent. Under the proposed new agreement, which has still to be finally agreed by Community foreign ministers, these arrangements would be extended to Britain, Denmark and Ireland. In addition, provisions concerning agriculture in the original association agreement would be extended and reinforced.

The Financial Protocol would grant Malta a sum of 26 mua over a period of five years.

Spain

Following a discussion of recent developments in Spain, Community foreign ministers at their meeting on 20 January noted that the present situation no longer precluded the resumption of contacts regarding negotiations to extend the 1970 preferential trade agreement between Spain and the original six members of the Community.

In October 1975 talks were suspended following the execution in Spain of five political activists convicted of murder (see p 390, 1975).

Portugal

Community foreign ministers also agreed that negotiations with Portugal should be opened with a view to extending the free trade agreement concluded with the Community in July 1972. A statement issued after the Council meeting declared that this would promote 'a strengthening of the links between the Community and Portugal' and would give 'tangible form to European solidarity with democratic developments in Portugal'.

EDUCATION

Co-operation within the Community in the field of education is to be intensified along the lines laid down in an Action Programme whose principles were agreed by Community education ministers in Brussels on 10 December.

Meeting in the Council of Ministers for the first time since June 1974, ministers finalised a series

of measures to be implemented in the coming years. They established an Education Committee of national and Commission officials to oversee and implement the execution of the programme.

The Action Programme is designed to secure the following objectives:

Better facilities for the education of children from other countries. This will involve, *inter alia,* better facilities for the intensive study by children from other Community, or non-member countries, of the language of the host country as well as their own mother tongue and culture.

Promotion of closer relations between educational systems in Europe by means of continuous comparison of the differing experiences in member countries. This will include regular meetings of education ministers, study visits and exchanges for teachers, and, possibly, measures to enable teachers to practise their profession for a time in another Community country.

Compilation of up-to-date documentation and statistics on education. One of the measures agreed for this purpose is the establishment of an information network by setting up in each member state a national information service on education in the Community.

Co-operation in the field of higher education by means of study visits, joint research programmes, the investigation of policy on the admission of students from other member countries to higher education institutions, and moves towards the mutual recognition of diplomas, degrees and study periods.

Teaching foreign languages is to be improved so that all pupils will have the opportunity of learning at least one other Community language.

Equal opportunity for access to all forms of education. The programme recognises that equality of access to all forms of education is an essential aim of the education policies of all member states. It proposes an exchange of views in this context in such areas as nursery and primary education.

The programme singles out for priority action the field of education to prepare school-leavers for work, and the improvement of vocational further education.

COMMUNITY PATENT

The Convention for the European Patent for the Common Market was signed at a conference in Luxembourg on 15 December. Britain was represented at the conference by Lord Goronwy-Roberts, Minister of State for Foreign and Commonwealth Affairs.

The Convention provides for the grant by the European Patent Office (for background, see pp 413-4, 1975) of a Community patent covering the entire EEC area. As such, it is in line with the objective of the Treaty of Rome to abolish hindrances to the free flow of goods between member countries.

The Community Patent Convention (as it is generally called) supplements the European Patent Convention adopted in 1973 which provides for the granting on a single application of a European patent having the effect of a national patent in each of the member countries in which the applicant desires protection.

Icelandic Fisheries

On 3 February Iceland rejected proposals made by Britain in the latest round of talks aimed at settling the present dispute over fishing rights. On 5 February Royal Navy frigates were ordered back into the disputed zone, following a renewal of warp-cutting incidents by Icelandic coastguard vessels. They had been withdrawn on 19 January in the belief that this would help end such incidents and to create a favourable atmosphere for the talks. It was announced on 6 February that, pending an agreement, the British trawler industry had agreed to a series of voluntary restraints in its fishing operations off Iceland. These developments are described in more detail in the following article.

The latest round of talks was held between the British Prime Minister, Mr Wilson, and the Icelandic Prime Minister, Mr Hallgrimsson, from 24 to 27 January in London. Mr Hallgrimsson then returned to Iceland to report to his Government, the *Althing*. Whilst rejecting British proposals the Icelandic Government said that it was ready to resume talks on a short-term agreement. The Secretary of State for Foreign and Commonwealth Affairs, Mr Callaghan, said at a press conference in London on 3 February that the British Government was prepared to accept the Icelandic suggestion for further talks but insisted that British trawlers should be able to fish unmolested in international waters around Iceland while talks proceed. Mr Callaghan pointed out that: 'So far all the concessions, all the conciliatory gestures, all the constructive suggestions, have come from the British side. From the beginning we have recognised the need to conserve fish stocks, we have recognised the dependence of Iceland on fishing, we have recognised the prior claim of Iceland to fish in the waters around their coast.'

Mr Callaghan said that he had twice proposed the appointment of a mediator but had been given to understand that a mediator would not be acceptable to the Icelanders. Following the visit to Reykjavik by the Secretary-General of NATO, Dr Luns, and despite the ultimatum issued by the Icelandic Government (see below) Britain had withdrawn the Royal Navy protection vessels 'in the expectation, that was shared by Dr Luns, that it would not lead to incidents on the fishing grounds'. Despite spasmodic incidents of warp cutting which had occurred while the talks were taking place, naval protection vessels had not been sent back into the disputed waters 'in order that the Icelandic Government should have the opportunity of considering this matter as calmly as possible'.

Mr Callaghan spoke in general terms of what had been proposed and discussed in the talks but stressed that 'at no stage during these discussions have the Icelandic Government made any proposals at all'. The talks had failed to resolve the difference

of view between British and Icelandic scientists over the period necessary for a proper replacement of cod stocks. Britain had then offered that Iceland should fix the period and the total allowable catch, within a given maximum and minimum, and that Britain would then take a fixed percentage of it. A figure of 28 per cent had been suggested. Mediation had again been suggested and other ideas put forward including a form of economic co-operation which might have helped Iceland over the difficulties of the next year or so.

Emphasising that if future talks were to proceed on any satisfactory basis then British fishermen should be able to fish unmolested, the Secretary of State said: 'So I hope there will be no further warp cuttings. If there are, then this will result in the automatic return of the Navy to the fishing grounds. There is no escape from this. We cannot accept the right of the Icelandic Government to deny our fishing in international waters in the absence of an agreement.' Mr Callaghan stressed that British trawlers were operating in international waters and that this was confirmed by the International Court of Justice's ruling of 25 July 1974 (see p 313, 1974).

Statement by Foreign and Commonwealth Secretary

Mr Callaghan made a statement on the Icelandic response in the House of Commons on 4 February. (*Hansard*, cols 1197-203). As regards the Icelandic Government's expressed readiness to resume talks on a short-term agreement, Mr Callaghan said that he had that morning informed them that 'despite our disappointment, we are prepared to explore the prospects of a short-term agreement without prejudice to a longer one'. It remained to be seen whether it were possible for the Icelandic Government to make 'any realistic offer, or, indeed, any offer at all'.

As for the immediate future, Mr Callaghan said, the Minister of Agriculture, Fisheries and Food was advising the fishing fleet to resume fishing in the normal way in the international waters as from midnight on 4 February. He added that the trawlers would be protected if they were interfered with. The Government had also invited the industry for urgent talks about the limitations which 'we would be prepared voluntarily to impose upon ourselves in order to ensure that the British catch does not endanger the conservation of cod stocks' (see below). Mr Callaghan said that he made his offer to accept mediation in the dispute, already refused twice by the Icelandic Government, again. He said that he was conscious of the concern of Britain's NATO allies and would ensure that they were fully informed of the facts and of the British Government's intentions.

Return of the Royal Navy

The Ministry of Defence announced on 5 February that the British frigates *Juno* and *Diomede* had been ordered into the disputed waters after a wire-cutting incident earlier in the day when the Icelandic patrol boat *Baldur* cut both trawl wires of the Hull trawler *Loch Eriboll* while she was fishing about 22 miles off the north-east coast of Iceland. The gunboat *Tyr* had also made an unsuccessful attempt to cut the warps of the Fleetwood trawler *Gavina*, which was fishing in another group of British trawlers some 50 miles from the group including the *Loch Eriboll*. It was also announced that RAF surveillance flights over the area would be resumed.

Icelandic authorities claimed that the *Loch Eriboll* was fishing within a special conservation area but the British Government has indicated that it had not been consulted or officially informed about the area.

Voluntary Restraints

It was announced on 6 February that, following talks at the Ministry of Agriculture, Fisheries and Food, the British trawler industry had agreed, pending the conclusion of an agreement with Iceland, to limit both the size of the trawler fleet and their annual catch and to continue to observe the conservation areas recognised under the Interim Agreement of 1973 or to fish at 20 miles from base lines and beyond, without further geographical limitation.

The total size of the fishing fleet would be limited to 105 vessels as opposed to 139 in the 1973 agreement. The annual catch of cod would be limited to 85,000 tons, compared with about 113,000 tons last year. The total catch of all fish would be limited to 100,000 tons as opposed to the average of 130,000 tons during the period of the Interim Agreement.

Background

Britain's interim agreement with Iceland which ended the previous dispute expired on 13 November 1975. Prior to this the Icelandic Government had announced its intention to increase Iceland's fisheries limits from 50 to 200 miles with effect from 15 October 1975. Britain has been attempting to conclude a new agreement with Iceland since September 1975. For background to the present dispute, the sending in of Royal Navy protection vessels on 25 November, and the series of official negotiations which began in Reykjavik on 11 September see pp 478-80, 1975.

Mr Callaghan met the Icelandic Foreign Minister, Mr Agustsson at a meeting of NATO foreign ministers in Brussels on 11 December. On the same day the first shots of the present dispute were fired when the Icelandic gunboat *Thor* fired on two British unarmed support vessels, the *Star Aquarius* and the *Lloydsman*, both of which were in collision with the *Thor* during the engagement. The Minister of State for Foreign and Commonwealth Affairs, Mr Hattersley, made a statement on the Brussels meeting and the incident in the House of Commons on 12 December (*Hansard*, cols 822-8). He said that during the meeting of the two foreign ministers Mr Callaghan had made 'the strongest protest' at the action taken by the *Thor*.

Mr Hattersley said that Mr Callaghan had reminded Mr Agustsson of the British Government's willingness to negotiate anywhere and at any time and confirmed their willingness, if genuine negotiations were resumed, to reduce the total British catch in an effort to compromise with the Icelandic position. He said that protection had been provided because of attempts by Icelandic gunboats to interfere with the legitimate fishing activities of British trawlers. 'It has been the constant endeavour

of the Government', he continued, 'to keep our response to harassment down to the minimum consistent with the continued ability of the trawlers to fish. We have endeavoured, and continue to endeavour to do nothing which could render more difficult our task of reaching a negotiated settlement with Iceland.'

UN Security Council

On 16 December the United Nations Security Council heard statements by Iceland and Britain on the subject of a complaint by Iceland that British warships were illegally operating in Icelandic waters and that one of them had on 11 December rammed an Icelandic vessel, causing serious damage (this refers to the incident mentioned above involving the gunboat *Thor*). At the start of the meeting, which had been requested by Iceland, the President of the Council, the British representative to the UN, Mr Ivor Richard, vacated the President's chair because of Britain's involvement in the issue. The British reply (document S/11914) to Iceland's letter requesting the meeting be convened drew attention to the July 1974 decision of the International Court of Justice; explained that Royal Navy vessels had been sent into the disputed waters because of continued harassment of British fishing and support vessels by the Icelandic coastguard and that their role was solely to defend the British trawlers; and pointed out that Royal Navy vessels had at no stage entered the Icelandic 12-mile fisheries limit, nor had British military aircraft penetrated Icelandic airspace. The letter went on to say that the British Government had made repeated efforts to achieve a negotiated settlement of the dispute and remained ready to resume negotiations. Mr Richard, in his statement to the Council, said that his delegation deplored incidents of the sort to which the Icelandic representative had referred but regretted that the Icelandic delegation had felt it necessary to bring the matter before the Security Council. Mr Richard gave the British view of the incident of 11 December and said that incidents such as this occurred because 'it is the deliberate policy of the Icelandic Government to use its coastguard vessels to harass British fishing boats fishing in waters in which, as recently as July 1974, the International Court of Justice ruled that they had the right to fish'.

Mr Richard explained that the court's ruling was based on 'the considerations that British vessels have fished in the waters around Iceland for centuries and that sections of the British people depend for their livelihood and economic well-being on this activity. Because of her special dependence on fish, the court held that Iceland can claim preferential rights, but not exclusive rights, as against the United Kingdom.' He pointed out further that the International Court had also ruled that any restrictions on catch should flow from negotiations conducted in good faith between the two Governments to secure an equitable solution reflecting the rights of both sides. The Acting President of the Council adjourned the meeting at the conclusion of Mr Richard's statement.

Meeting with NATO Secretary-General

A special meeting of the North Atlantic Council was convened, at Iceland's request, on 12 January in Brussels to discuss the Anglo/Icelandic dispute. On 8 January Iceland had threatened to break off diplomatic relations with Britain if incidents involving Royal Navy vessels and the Icelandic gunboats continued. Iceland's Ambassador to NATO, Mr Tomasson, warned in a speech to the Council that Iceland could both leave NATO and break off relations with Britain if the incidents continued. The Council issued a statement appealing to both sides to exercise the utmost restraint in the dispute, which was 'not only harmful to relations between two allied countries but also to the alliance as a whole'. It was also confirmed that the Secretary-General of NATO, Dr Luns, would be going to Iceland for talks on the dispute.

Dr Luns arrived in Reykjavik on 14 January. Following two days of intensive talks with Mr Hallgrimsson, he returned to Brussels where he met Mr Callaghan on 19 January.

In a joint press conference with Dr Luns following this meeting Mr Callaghan announced that Mr Hallgrimsson was to be invited to London as soon as possible for talks with Mr Wilson. He also announced the withdrawal of British naval vessels from the disputed area and the withdrawal of RAF *Nimrod* surveillance aircraft which had been overflying the area. Mr Callaghan said that he believed the withdrawal of the vessels would mean the incidents with Icelandic coastguard vessels would end and that a favourable atmosphere for the talks would thus be created. He stressed that the decision had been taken before a further Icelandic threat to break off diplomatic relations made on the afternoon of 19 January and said that the withdrawal would be made despite this threat. Dr Luns said at the press conference that he regarded the British Government's action as very generous and positive. A statement on the withdrawal was made by the Minister of State for Foreign and Commonwealth Affairs in the House of Commons on 20 January (*Hansard*, cols 1137-48). Mr Hattersley said that the decision had been taken in the light of Dr Luns's account of his visit to Iceland and 'in the expectation that our trawlers would not be harassed by the Icelandic coastguard gunboats'. Reporting the Prime Minister's invitation to Mr Hallgrimsson to come to London for talks Mr Hattersley said that 'Her Majesty's Government remain ready to negotiate an agreement which would recognise Iceland's special dependence on fishing and the need to take adequate measures to conserve the cod stocks. However, Her Majesty's Government will also very naturally take full account of the importance of these fisheries to the livelihood of our own trawlermen and the communities in Britain which depend upon them.'

Talks in London

The most recent round of talks was held in London and at the Prime Minister's official country residence, Chequers. The British side comprised the Prime Minister, Mr Wilson, the Secretary of State for Foreign and Commonwealth Affairs, Mr Callaghan, the Minister of Agriculture, Fisheries and Food, Mr Peart, the Minister of State for Foreign and Commonwealth Affairs, Mr Hattersley, the Minister of State for Agriculture, Fisheries and Food, Mr Bishop, and the British Ambassador in Reykjavik, Mr East. Iceland was represented by the Prime

Minister, Mr Hallgrimsson, the chairman of the *Althing's* Foreign Relations Committee, the head of the Icelandic Foreign Ministry's legal department, and Iceland's Ambassador to London. The talks were also attended by officials and scientific advisers from both countries.

During the talks, on 26 January, Mr Wilson requested the fishing vessels to stop fishing but to remain on the grounds. This followed a warning from the Icelandic gunboats to the British trawlers on the morning of 26 January that trawls would be cut unless they stopped fishing and left the 200-mile limit. On the evening of the same day Mr Wilson sent another message to the trawler fleet thanking them for their response to his earlier message and instructing them to resume fishing as before; 'Namely they should remain as concentrated as possible and within the designated fishing area and if individually challenged by an Icelandic coastguard vessel they should haul and lay until the coastguard vessel departs.'

In a statement on the talks in the House of Commons on 28 January (*Hansard,* cols 425-32) Mr Wilson said that various formulae for a possible solution of the dispute had been considered. He had explained to Mr Hallgrimsson Britain's recognition of the importance of adequate measures to conserve fish stocks around Icelandic coasts 'in our interests as well as theirs'. Mr Wilson expressed his gratitude to the NATO Secretary-General for making the meeting possible. Mr Wilson made it clear that the Government reserved all rights to protect British fishing vessels during the period while the Icelandic Government were reaching their decision.

In the event harassment continued while the talks were proceeding and during the period to 4 February while the Icelandic Government's response was awaited. The British trawlers were kept in a tight box formation and fishing became practically impossible. For this reason the Government introduced temporary aid to make up the earnings of the trawler crews. The Minister of Agriculture, Fisheries and Food gave details of the scheme on 3 February (*Hansard,* written answers, cols 514-5). The total cost of the scheme which applies to trawlers attempting to fish in the designated area off Iceland in the period from 24 January to 4 February is expected to amount to about £100,000.

Anglo-Argentine Relations and the Falkland Islands

In a statement to the House of Commons on 14 January (*Hansard,* cols 391-7) the Foreign and Commonwealth Secretary, Mr James Callaghan, announced that the British Government had decided to recall its ambassador to Argentina for consultations. This followed a statement issued by the Argentine Government on the previous day which said that 'it would be advisable for Britain to withdraw its ambassador' in view of 'the present state of affairs over the Malvinas [Falkland Islands] question'. At the same time, it announced that its ambassador to Britain, who had returned to Argentina in October 1975, would remain in Buenos Aires until further notice.

The immediate cause of the friction between the British and Argentine Governments is the Falkland Islands Economic Survey which was announced in October 1975. The survey team, under the leadership of Lord Shackleton, visited the islands in January 1976. Requested by the Falkland Islanders, the survey is non-political and, though commissioned by the British Government, independent in its nature. Its aim is to determine the prospects for, and the best means to achieve, the development and diversification of the territory's economy which at present depends entirely on wool. The survey team included experts on fisheries, oil and wool, these being regarded as the main areas of potential development.

Mr Callaghan's Statement

Mr Callaghan told the House of Commons that Britain's traditional friendship with Argentina was marred only by issues arising from the Argentine claim to sovereignty over the Falkland Islands, whose inhabitants wished to remain British. Successive British Governments, he added, had undertaken to respect these wishes. At the same time they had recognised that the long-term interests of the islanders must lie in practical forms of association with the Argentine mainland. It was to this end that, between 1971 and 1974, the British and Argentine Governments had negotiated a series of arrangements designed to improve communications between the Falkland Islands and the Argentine mainland (see p 66). During 1975 a further significant development took place, namely recognition by all concerned, including the islanders, that the future development and diversification of the islands' economy could take place only in a spirit of co-operation with Argentina.

It was against this background, Mr Callaghan explained, that he had had, in recent months, a series of discussions with successive Argentine Foreign Ministers. In a meeting with the then Argentine Foreign Minister, Senor Robledo, in New York in September 1975, he had proposed that the two Governments should consider discussing the possibilities of economic co-operation in the South-West Atlantic region, and, in this context, had reminded him of a recent British report on the hydrocarbon prospects of the region (a copy of this report, by Professor D. H. Griffiths of Birmingham University, had previously been made available to the Argentine Government). He had also informed Senor Robledo of the setting up of the economic survey. In October, however, after the nomination of Lord Shackleton as the survey's leader, the Argentine Government had stated that the survey would not be welcome to them. (Later, in December, it refused the team transit through Argentina.) On 17 December, Mr Callaghan continued, in talks with the new Argentine Foreign Minister, Senor Aranz Castex, in Paris he had fully explained to

him the essentially independent nature of the survey. Unfortunately, it had not so far been possible to find the means of bridging the gap between Britain's proposals for talks on economic co-operation and Argentine insistence on simultaneous negotiations about the transfer of sovereignty. However, Mr Callaghan concluded, it remained his conviction 'that given good will on both sides, Britain and Argentina should be able to transform the area of dispute concerning sovereignty over the islands into a factor making for co-operation between the two countries which would be consonant with the wishes and interests of the Falkland Islanders'.

Background Information[1]

The Falkland Islands lie in the South Atlantic, some 480 miles (772·5 km) north-east of Cape Horn, and have a total land area of about 4,700 square miles (12,173 km²). At the end of 1973 the estimated population was 1,874, nearly all of British descent. About 80 per cent were born in the islands; most can trace their origins in the territory back to the nineteenth century and more than a thousand to 1850 or earlier.

The islands were probably sighted by the English captain John Davis in 1592 but the first authenticated sighting was that of the Dutch sailor Sebald de Weert in 1600. The first known landing was in 1690 by Captain John Strong, who gave the islands their English name after Viscount Falkland, Treasurer of the Navy. In 1764 a small French colony was established in East Falkland, but three years later the settlement was handed over to Spain. Meanwhile, in 1766, a British settlement of about a hundred people had been established at Port Egmont in West Falkland. When in 1770 a Spanish force compelled the British settlers to leave, this brought Spain and Britain to the verge of war, but in 1771, after protracted negotiations, the Spaniards handed back Port Egmont to Britain, which re-established the settlement but withdrew it again in 1774 on grounds of economy. The British claim to sovereignty was, however, maintained. The Spanish settlement on East Falkland was withdrawn in 1811.

In 1820 the Buenos Aires Government, which had formally declared its independence of Spain in 1816, sent a ship to the Falkland Islands to proclaim its sovereignty. A settlement was established at Puerto de la Soledad, the old Spanish settlement, in 1826 under the leadership of Luis Vernet, whom the Buenos Aires Government appointed Governor, despite British protests. Five years later, however, a United States warship, the *Lexington*, destroyed the fort at Soledad as a reprisal for the arrest of three American vessels by Vernet, who was attempting to establish control over sealing in the islands. Captain Silas Duncan, the commander of the *Lexington*, declared the Falklands free of all government and they remained once again without visible authority. In December 1833 a British warship visited the settlement; the Argentine garrison left under protest and the British occupation of the islands was resumed. It has continued, without interruption, up to the present day.

Under the present constitution, introduced in 1964, the Falkland Islands Government is administered by a Governor aided by an Executive Council (two *ex officio*, two appointed unofficial and two elected members) and a Legislative Council (two *ex officio*, two nominated independent and four elected members). Elections for the Legislative Council are by universal adult suffrage which was introduced in 1949. During 1975 a Select Committee of the Legislative Council recommended certain changes in the constitution, and these are currently being considered by the British Government.

Argentine Territorial Claims

Argentina has put forward a claim to sovereignty over the Falkland Islands over a long period of years, mainly on the grounds that she has succeeded to rights claimed by Spain in the eighteenth century. The British Government has stated that it has no doubt of its sovereignty over the islands, which have been continuously, peacefully and effectively occupied by Britain since 1833.

The Falkland Islands' position as a non-self-governing territory has been debated regularly in the Fourth Committee of the United Nations and in its special committee of 24 (on colonialism). The elected representatives of the Falkland Islands have explained the population's wish to retain its association with Britain, and not to become independent or associated with any other country. Britain has pointed out that in these circumstances the Argentine claim is contrary to the principle of self-determination.

In 1965 the General Assembly approved a resolution inviting Britain and Argentina to hold discussions with a view to finding a peaceful solution to the problem, bearing in mind the interests of the islanders. Subsequently, discussions between the two Governments were conducted through diplomatic channels. In 1969 Argentina made known its readiness to discuss lifting the ban on direct communications between the mainland and the islands and special talks on promoting communications began in London, in 1970, between Argentine and British delegations, the latter including participants from the Falkland Islands. As a result of these and further discussions held in Buenos Aires in 1971, agreement was reached over a wide field covering air and sea communications, postal services, educational and medical facilities for Falkland Islanders in Buenos Aires, and customs measures. During the winter of 1972 the Argentine Air Force built a temporary airfield at Stanley; construction of a permanent airfield at Cape Pembroke, financed by a grant from the British Government, is expected to be completed in 1976. In 1974 Britain and Argentina signed two further agreements relating to the Falklands: one to facilitate trade and the carriage of goods between the Falkland Islands and the Argentine mainland, and the other to allow the Argentine state petroleum company (YPF) to supply the islands with petroleum products.

[1] For further information on the Falkland Islands see *The Falkland Islands and Dependencies*, CO1, FSD/13.

Seychelles

CONSTITUTIONAL CONFERENCE

The Seychelles constitutional conference, which held its first session in March 1974 (see p 129, 1974), was resumed at Marlborough House, London, from 19 to 22 January, under the chairmanship of Mr Edward Rowlands, Parliamentary Under-Secretary of State, Foreign and Commonwealth Office. The Seychelles delegation, which included the leaders and representatives of the Seychelles Democratic Party (SDP) and the Seychelles People's United Party (SPUP), was led by Mr J. R. Mancham, the Prime Minister.

The first session of the constitutional conference had set out the principles of an interim constitution, which, providing for full internal self-government, was introduced in Seychelles on 1 October 1975, and a number of points for an independence constitution. It had left undecided, however, 'the central features' of the independence constitution: the provisions relating to the electoral system; the size and composition of the National Assembly; and the amendment of entrenched clauses of the constitution.

Conference Decisions

A communiqué issued on 22 January stated that the constitutional conference had ended with agreement on the principles of an independence constitution which, subject to the approval of the British Government and Parliament, will enter into force at midnight on 28 June 1976. In accordance with the wishes of the Seychelles delegation, the constitution's principles include the following central features:

1 Seychelles will be a sovereign republic with the constitution as the supreme law;

2 The Prime Minister in office on the entry into force of the independence constitution will assume the office of President. Thereafter, the President, who will exercise full executive powers, will be elected by popular vote simultaneously with elections to the National Assembly.

3 There will be a Cabinet consisting of a Prime Minister and ten Ministers appointed by the President from members of the National Assembly;

4 Following the recommendations of the Electoral Review Commission (which, as agreed in March 1975 [see p 129, 1975] had examined the electoral system in October and November 1975), the National Assembly is to consist of 25 elected members, eight elected for the existing constituencies and the remainder by proportional representation from the party lists;

5 There will be provisions relating to citizenship, the protection of fundamental human rights, the judiciary, the public service, finance and pensions on lines agreed at the conference.

The communiqué also stated that the leaders of the SDP and SPUP had confirmed their intention to continue the present coalition Government (see p 129, 1975) after independence and to hold elections in 1979; and also to seek membership of the Commonwealth. In addition, the conference agreed in principle to recommend the transfer of the islands of Aldabra, Farquhar and Desroches, at present part of British Indian Ocean Territory, to Seychelles sovereignty upon independence. A tripartite meeting between the British, Seychelles and United States Governments[1] will be held as soon as possible to conclude the necessary arrangements.

Development Assistance

Britain has agreed to provide Seychelles, for the two years following independence, with some £10 million capital aid for development projects to be agreed between the two Governments. This will be provided on soft loan terms, that is, interest free with 25 years' maturity and a seven-year grace period. In addition, some £1·7 million in budgetary aid will be made available over the four years 1976 to 1979, as well as technical assistance totalling about £750,000 annually in the years immediately following independence.

The Middle East

During the past five months, the situation in the Middle East has been relatively stable, despite the continuation of Palestinian *fedayeen* attacks and Israeli reprisal raids, and the continuing civil war in the Lebanon which threatened, at times, to develop into an international problem. Considerable progress has been made with the implementation of the Second Egyptian-Israeli Disengagement Agreement, signed on 4 September 1975 (see pp 343-4, 1975). On 23 October, the UN Security Council extended for one year the mandate of the UN Emergency Force (UNEF), which assumed new responsibilities under the Sinai Agreement; in November, the Suez Canal was opened to non-military cargoes travelling to and from Israel, and on 30 November, Israel evacuated the Abu Rudeis oilfields (which were subsequently handed over to Egypt by the United Nations) and completed a withdrawal from a 93-mile coastal strip on the Gulf of Suez. On the Golan front, the mandate of the UN Disengagement Observer Force (UNDOF) was renewed by the Security Council for a further six months on 30 November.

Attention continues to focus on the place of the Palestinians in an eventual peace settlement and their role in the negotiations leading up to it. Great differences on this question still remain between the parties to the conflict. On a wider scale, however, the UN Secretary-General, Dr Kurt Waldheim, has recently noted a growing tendency to recognise the

[1] In 1966, in an exchange of Notes, the British and the United States Governments agreed that the islands of the British Indian Ocean Territory would be available for the defence use of either the British or United States Governments for an initial period of 50 years.

political status of the Palestinians and recent events also seem to indicate an increasing acceptance of the Palestine Liberation Organisation (PLO) as their legitimate representative. In December, the PLO was invited to take part, with the same rights of participation as a member state of the United Nations, in a Security Council debate on Israeli raids on *fedayeen* bases in the Lebanon. It was followed on 12 January by a similar invitation to the PLO to take part in a Security Council debate on the Middle East problem.

The Security Council Debate, January 1976

This debate was occasioned by a resolution passed by the Security Council on 30 November, in which it agreed to renew the UNDOF mandate and also decided to reconvene on 12 January 'to continue the debate on the Middle East problem, including the Palestinian question, taking into account all relevant United Nations resolutions'. This resolution (No 381) was immediately followed by a statement by the President of the Council (then Mr Yakov Malik of the Soviet Union) declaring it to be the understanding of the majority that, when the Council reconvened on this date, representatives of the PLO would be invited to participate in the debate. The initiative behind these developments came from Syria, for President Assad had explained to Dr Waldheim in November that Syria would only consent to the renewal of the UNDOF mandate if the Council agreed to hold 'a substantive debate on the Middle East problem, including the Palestinian question, with the participation of representatives of the PLO'. The invitation to the PLO was passed by the Security Council on 12 January by 11 votes to 1 with 3 abstentions (Britain, France and Italy). The dissenting vote was cast by the United States, but since the vote was procedural, this did not amount to a veto.

The debate in the Council continued until 22 January and was followed by intensive private consultations among the members on a possible resolution. A draft resolution, sponsored by Pakistan, Benin,[1] Guyana, Panama, Romania and Tanzania, was eventually tabled on 26 January. It affirmed that the Palestinian people should be enabled 'to exercise its inalienable national right of self-determination, including the right to establish an independent state in Palestine', declared the right of those Palestinian refugees wishing to do so to return to their homes, and of those choosing not to return to compensation for their property, called for Israeli withdrawal from 'all the Arab territories occupied since June 1967' and for 'appropriate arrangements' to guarantee the sovereignty, territorial integrity and political independence of all states in the area and their right to live in peace within secure and recognised boundaries.

By specifically introducing the Palestinian question, the draft resolution thus significantly differed from the terms of Security Council resolution 242 (1967), which refers to the need for 'a just settlement to the refugee problem' as well as 'withdrawal of Israeli armed forces from territories occupied in the recent conflict' and which, together with Security Council resolution 338 (1973), forms the generally accepted basis of a peace settlement (see p 442, 1973). On 26 January, Mr Ivor Richard, the permanent British representative at the United Nations, proposed an amendment to the draft resolution; this, which he described as providing 'a degree of balance', reaffirmed the basic principles and provisions of resolutions 242 and 338 and declared that nothing in the proposed new resolution superseded them. The British amendment, however, was not adopted by the Security Council. Subsequently, Britain abstained from voting on the draft resolution which received nine votes in its favour but failed as a result of a negative vote ('the veto') cast by the USA on the grounds that it would have harmed the peace-making process. Speaking earlier in the debate, the US permanent representative, Mr Daniel Moynihan, had stated on 19 January that an agreed framework for peace negotiations had been provided by resolutions 242 and 338, and had warned the Security Council against adopting resolutions 'which would have the effect of leaving no commonly accepted basis for further negotiation'.

Arab Views

The debate was opened on 12 January by the representative of the PLO, Mr Farouk Khaddoumi, who stated that a just and lasting peace in the Middle East depended on the realisation of 'the inalienable national rights of the Palestinians'. He declared that the Palestinian people were resolved to continue their military and political struggle until they could return to their national soil and establish their independent state; they rejected any alternative homeland and awaited 'meaningful measures' from the Security Council. Mr Khaddoumi explained that the PLO rejected resolutions 242 and 338 because they ignored the Palestinian question, treating the Palestinians simply as a refugee problem.

The demand for Palestinian self-determination was supported by other Arab speakers, though there were differences as to the exact form it would take and how it should be achieved. The Syrian representative insisted that resolution 242 was inadequate, and emphasised the need to take into account all relevant United Nations resolutions from 1947 to 1975; some of these, he asserted, affirmed the Palestinians' right to be repatriated to their homeland, and to establish in it an independent state. The Egyptian representative called for the establishment of an independent Palestinian entity and the reconvening of the Geneva Conference (see p 58, 1974), with Palestinian participation on an equal footing with other participants; he stated that Egypt regarded the present debate not as an alternative but as a prerequisite to Geneva. The representative of Jordan declared that a just settlement must include 'self-determination for the Palestinian people, their in-gathering and the right of return to those who had been expelled'; he stated that a just settlement could be achieved by a variety of methods, once the Security Council had defined its components and once it had been established that all the parties should participate in the process, including the legitimate representatives of the Palestinian people.

[1] Formerly Dahomey.

Israel's Position

Israel did not attend the Security Council debate, which it regarded as an attempt to destroy the negotiating procedure provided by the Geneva Conference. The Israeli position on this issue was made clear by a Cabinet resolution of 4 January. This opposed any attempt to transfer peace negotiations to the Security Council or to change, directly or indirectly, resolutions 242 and 338, which were regarded as 'the exclusive basis for negotiations', and called for the convening of the Geneva Conference. This position was reinforced by a statement made in the Knesset on 14 January by the Foreign Minister, Mr Allon, who warned the Security Council against changing the two resolutions and stated that, if this were done, he would advise his Government to reassess its own commitment to them.

The other reason for Israel's boycott of the debate was the participation of the PLO, which the Israeli representative at the United Nations described as 'a flagrant violation of the UN Charter'. The position of Mr Rabin's Government on the Palestinian issue remains unchanged (see p 17, 1975). On 4 January, the Cabinet reiterated its determination not to negotiate with terrorist organisations such as the PLO, which it described as 'a framework of murder groups whose declared purpose is the destruction of Israel', and not to participate at the Geneva Conference if these organisations were invited to take part. Israel also continues to maintain that the Palestinian issue can be solved within the geographical and political context of peace with Jordan.

The British View

Addressing the Security Council on 15 January, Mr Richard stated that Britain believed that a Middle East settlement should be based on three considerations. Of these, the first two – Israel's withdrawal from occupied territories, and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognised boundaries – were enshrined in resolution 242, to be brought into effect as provided in 338. These two resolutions provided the widely accepted foundations for a settlement and Britain would oppose any unilateral attempt to alter or destroy them. The third consideration, not expressed in these resolutions, was the recognition of the right of the Palestinian people to the expression of their national identity. Mr Richard stated that there had been growing recognition of the part which Palestinian interests must play in a settlement, and reiterated that resolutions 242 and 338 must be 'supplemented but not supplanted and not distorted out of shape or recognition' to take account of this (see p 18, 1975). In any final settlement, a way must be found to take account of the political rights of the Palestinian people – although further definition of these rights was a matter for negotiation between the parties – and to enable them to express their national identity. It must, however, be done in a manner consistent with the right of all states in the area, including Israel, to exist within secure and recognised boundaries.

Mr Richard stated that the primary aim of the Security Council should be to assist the resumption of negotiations with the participation as appropriate of all the parties concerned. It should also reaffirm the existing Council resolutions, especially 242 and 338, and should recognise the fundamental importance of the Palestinian problem, and take account of the legitimate political rights of the Palestinian people. In this way, the Council could make a significant contribution to peace in the Middle East. He stressed, however, that it could not impose a settlement, nor act as a mediator in the dispute. Peace could only come from negotiations between the parties themselves and this would require an abandonment of hard and inflexible attitudes: the Arabs, especially the Palestinians, must recognise the principle of Israel's existence, while Israel must accept that Palestinian nationalist sentiment would have to be taken into account and must act on this. 'The most we can do,' said Mr Richard, 'is to try and bring the parties closer together so that, on the basis of the principles we articulate here, they are better able to settle their differences.'

Britain's Abstention on the Draft Resolution

On 27 January, Mr Richard told the Council that Britain proposed to abstain from voting on the draft resolution, in the belief that it could have a 'restricting effect' on peace negotiations. He referred specifically to the last paragraph of the proposed resolution which pledged the Security Council to convene within six months to consider the Secretary-General's report concerning its implementation and 'to pursue its responsibilities regarding such implementation'. In this connection, Mr Richard warned the Council against 'putting the negotiators into a strait-jacket, and closing doors which might otherwise remain open'. Britain also considered, he added, that it would not help the negotiating process to spell out in detail, as the draft resolution attempted, the possibilities inherent in the terms of resolutions 242 and 338; he stated that, as its sponsor, Britain had always been careful not to express any interpretation of the wording of particular parts of resolution 242.

Shorter Notes

OVERSEAS REPRESENTATION

The Secretary of State for Foreign and Commonwealth Affairs, Mr Callaghan, announced in the House of Commons on 14 January (*Hansard*, cols 385-90) that there would be a major review of the priorities and requirements for Britain's overseas representation. He said that it was an appropriate time for a review as several years had passed since the Duncan Committee reported (*Report of the Review Committee on Overseas Representation,*

Cmnd 4107; see pp 697-9, 1969 and pp 260-3, 1970) and the issue of British membership of the European Community had now been resolved.

The Central Policy Review Staff have been asked to conduct the review and to complete it as quickly as possible with the following terms of reference:

'To review the nature and extent of our overseas interests and requirements and in the light of that review to make recommendations on the most suitable, effective and economic means of representing and promoting those interests both at home and overseas. The review will embrace all aspects of the work of overseas representation, including political, economic, commercial, consular and immigration work, defence matters, overseas aid and cultural and information activities, whether these tasks are performed by members of the Diplomatic Service, by members of the Home Civil Service, by members of the Armed Forces or by other agencies financially supported by the Government.'

The review and the wide terms of reference were welcomed by the Opposition.

ECONOMIC AND SCIENTIFIC AFFAIRS

The International Monetary Fund

INTERIM COMMITTEE MEETING

The Chancellor of the Exchequer, Mr Denis Healey, reported a satisfactory outcome to the meeting of the International Monetary Fund (IMF) Interim Committee (see p 434, 1974), which was held on 7 and 8 January. (*Hansard*, 12.1.76, cols 41-4. The communiqué of the committee was included in *Hansard*, 12.1.76, cols I-IV – published in the daily *Hansard* dated 13.1.76.)

Achievements

Mr Healey said that the committee had faced two tasks. The first had been to round off the long debate about gold, exchange rate arrangements and other matters requiring amendment of IMF Articles (see pp 399-400, 1975). On exchange rate arrangements the United States and France had found a basis on which to reconcile their differences of approach which had been acceptable to all other countries. The new Article on this subject emphasised the objective of stability and required the collaboration of all countries with each other and with the IMF, and provided a framework for the possible reintroduction of a par value system in the future. However, it recognised the need for individual countries to be able to choose, within the framework of international co-operation, the basic exchange rate system they preferred. These formal arrangements were to be supplemented by greater practical collaboration between countries with leading world currencies over the day-to-day management of their exchange rate relationships. On gold, the arrangements already reached provisionally at the end of August 1975 had been confirmed (see p 400, 1975). The role of gold as a central standard of value would cease and it would be replaced by the special drawing right (SDR – see p 268, 1974). Gold would have no official price. Monetary authorities would be free to conduct transactions in gold on a market basis subject to voluntary undertakings by leading countries to refrain from actions which might result in price fixing or which might add to the world's stock of official monetary gold. One-sixth of the stock of IMF gold (about 25 million fine ounces) would be restituted to IMF members in accordance with their quotas; a further sixth would be sold over a period of four years, with profits being made available in various ways for the benefit of developing countries; and there would be enabling provisions to permit future disposal of the remaining two-thirds of IMF gold.

A comprehensive set of amendments to the IMF Articles would be presented to IMF Governors in the near future. Mr Healey said that in due course he would seek the approval of Parliament for them as a basis for ratification by the British Government.

The second task faced by the committee had been to make an appropriate contribution from the IMF towards encouraging and sustaining world economic recovery during the coming year. In the committee's general discussion on the world economic situation, satisfaction had been expressed over the growing evidence that activity in the leading countries was beginning to recover. However, this had been modified by fears that the recovery might not be sustained and that the accumulated balance of payments deficits of some countries, particularly developing countries, could present financing difficulties which would retard the pace of recovery.

Against this background the committee had been able to note or take three important practical steps. First, it welcomed a recent decision of the Executive Directors of the IMF to liberalise the fund's compensatory financing facilities; this decision was designed to assist primary producing countries suffering a loss of foreign exchange earnings. Secondly, the committee agreed that the necessary steps to establish the proposed IMF Trust Fund (see p 400, 1975), financed largely from profits of sales of IMF gold, should be taken without delay. Thirdly, the committee agreed to increase immediately by 45 per cent the entitlements of all countries to access to normal IMF drawing facilities. The additional funds actually made available through these different channels would depend upon many factors, including the circumstances of individual countries. However, the three schemes together would add a very large amount, probably in excess of $5,000 million, to the facilities of which developing countries as a whole could take advantage over the next critical year.

Although these measures were primarily designed to help developing countries, Mr Healey commented that other countries would welcome the reinforcement of their potential access to normal IMF drawing facilities. In Britain's case, 45 per cent of its present quota amounted to 1,260 million SDR, or more than £700 million, divided equally between the four credit tranches.

In conclusion, Mr Healey said that the kind of comprehensive reform which had been envisaged at one stage had not been achieved. The outcome was

more modest, but it was also more realistic, and he was particularly satisfied that the set of decisions reached included practical steps which were important and relevant to the task of sustaining world economic recovery.

IMF LOAN

Mr Healey announced on 13 January (*Hansard*, written answers, col 123) that both of Britain's applications for borrowing from the IMF (see p 454, 1975) had been approved on 31 December 1975. The Government would shortly be drawing on the oil facility in the agreed amount of 1,000 million SDR – about £575 million – and the first credit tranche of 700 million SDR – about £400 million – would be available on a stand-by basis for use as and when it was needed.

Preliminary Trade Results for 1975

IMPROVEMENT IN BALANCE OF PAYMENTS

There was a big improvement in Britain's balance of payments in 1975, according to estimates published jointly by the Central Statistical Office and the Department of Trade on 16 January. The deficit on current account is estimated to have stood at £1,687 million in 1975 compared with £3,668 million in 1974, the deficit on visible trade in 1975 of £3,211 million being partly offset by a surplus on invisibles (from the sale of services and the return from overseas investments) of £1,524 million. The large increase in the deficit in 1973 and 1974 was largely attributable to the increased price of imports reflecting the large rise in world commodity – especially oil – prices and, to a lesser extent, the depreciation of sterling.

The deficit on trade in non-oil goods fell from £1,811 million in 1974 to £84 million in 1975 while the deficit on oil trade declined from £3,423 million to £3,122 million. Exports in 1975, at £18,783 million, were 18 per cent above their 1974 level in value but 2·5 per cent lower in volume. Imports at £21,994 million in 1975 rose by only 4 per cent in value but fell by 6·5 per cent in volume. The terms of trade improved by 7 per cent, the result of a 22 per cent rise in the export unit value index and a 14 per cent rise in the import unit value index.

Area Analysis

Exports

In 1975 exports to the European Community rose by 16 per cent and to North America by 2 per cent. Exports to the oil-exporting countries rose, however, by 95 per cent and to the centrally-planned economies by 30 per cent.

Imports

In 1975 imports from the European Community increased by 14 per cent. Imports from both North America and the centrally-planned economies, however, decreased by 1 per cent, and imports from the oil-exporting countries fell by 14 per cent.

Mr Shore's Statement

Commenting on the trade figures in a statement issued on 16 January, the Secretary of State for Trade, Mr Peter Shore, said that there were two reasons why Britain had managed to narrow the gap so significantly: first, because of a sustained effort by much of British industry during the worst recession since the 1930s, Britain had checked the fall in its export volume (see below) and increased its share of world trade – the recession also having reduced imports; and secondly, the prices of these imports had not risen so steeply and the terms of trade had been more favourable.

British exporters had recorded some notable achievements in this most difficult period and Britain's export volume had risen in the final months of 1975, giving signs that the world recession might be ending and that trade was beginning to recover.

Mr Shore said that the Government's economic policies were designed to help industry make the most of this recovery so that increased exports not only improved Britain's balance of payments but also led to increased industrial output and employment.

Counter-inflation

PRICE COMMISSION QUARTERLY REPORT

The Price Commission's report for the period 1 September to 30 November 1975 (HMSO, £1, ISBN 0 10 209276 1) states that 'there is now ample evidence to confirm the view expressed in our previous report [see p 456, 1975] that [Britain's] rate of inflation is slowing down'. The key to continued improvement lay in close observance of the £6 pay limit (see p 269, 1975), which would ensure a progressive improvement in labour costs and a progressive fall in the rate of inflation. The biggest danger was posed by the rise in external prices due in part to the depreciation of sterling, and the only way this danger could be met was by reducing the rise in internal prices to compensate; this in turn meant restraining the rise in labour costs.

Observance of the Pay Limit

The report states that the pay limit had been universally observed. The effect on prices of the very large pay settlements in the spring and summer of 1975 was rapidly diminishing and prices would now increasingly reflect the benefit of lower pay settlements.

Falling Rate of Inflation

The report shows that the peak of inflation was reached in the summer of 1975 – and that the rate of inflation has been falling since. On the basis of a six-month comparison, the commission's own index – based on price notifications received – was the first to reach a peak, in March 1975, and was followed by the wholesale price index in May 1975 and the retail price index in June 1975.

The fall from the peak in all three cases has been substantial. The percentage increase in prices over six-month periods shown by the commission's own index came down from a peak of 13·1 per cent in March to 9·3 per cent in November; the wholesale price index from a peak of 13·7 per cent in May to 6·1 per cent in November; and the retail price index from a peak of 17·3 per cent in June to 7·2 per cent in November.

SELECTIVE PRICE RESTRAINT

Mrs Williams's Statement

'The House knows the country is making good progress in the attack on inflation', said Mrs Shirley Williams, Secretary of State for Prices and Consumer Protection, in a statement in the House of Commons on 27 January (*Hansard*, cols 247-9). She drew attention to the Price Commission's report and said that against this background, she had had discussions with representatives of manufacturers, retailers and others about the introduction of the selective price restraint scheme (see p 496, 1975), the objective of which was to draw up a list of products on which price increases would be held to a maximum of 5 per cent for a six-month period starting on 1 February for manufacturers and on 16 February for retailers.[1] This would bring forward into the first part of 1976, over a considerable area of consumer expenditure, the benefits of the lower rate of inflation which the Government now expected.

Mrs Williams added that during these discussions she had recognised that the profit margins of manufacturers, services and the distributive trades for the third quarter of 1975 were at very low levels and in certain cases at their lowest recorded levels, putting at risk both future employment and investment; not all the preconditions set in advance for the scheme to come into operation had therefore been met. Nevertheless, representative trade associations of manufacturers and retailers had in the national interest agreed to recommend their members to participate in the scheme over a considerable area, amounting to some 15 to 20 per cent of total consumer expenditure. The significant point about the items covered by the scheme was that, because the observance of the pay limit had made it possible for manufacturers to make clear estimates of forward costs, both manufacturers and distributors were prepared to give positive undertakings that price increases on these items during the six months concerned would not exceed 5 per cent. There were, of course, safeguards allowing a firm to withdraw from the scheme in circumstances of unforeseen increases in raw materials, fuel or taxation. In cases where imports formed a substantial part of the market, the importers had indicated that while they could not give definite undertakings about price movements because of currency and duty fluctuations and other factors beyond their control, they did not expect their selling prices to move significantly out of line with those of home-produced items on the list.

[1] A summary list of the goods and services included in the scheme was issued by the Department of Prices and Consumer Protection on 11 February.

Changes in the Price Code

Two groups of technical amendments to the Price Code came into operation on 1 February, the effect of which was (1) to extend investment relief to companies under the Price Code to the end of July 1976 (in line with the Government's intention to make an order under the Remuneration, Charges and Grants Act 1975 [see p 319, 1975] extending present powers to enforce the code until 31 July 1976 [see p 269, 1975]) and (2) to facilitate recovery of revenue which may be foregone in some cases by companies restraining price increases on items included in the scheme.

Mr Maclennan's Statement

Speaking at a *Financial Times* conference on counter-inflation in London on 28 January, Mr Robert Maclennan, Parliamentary Under-Secretary of State for Prices and Consumer Protection, again drew attention to the Price Commission's report and emphasised that while solving the immediate inflation crisis met the short-term problems, everyone knew that the longer-term problem was how to modernise and regenerate Britain's industrial structure, and how to switch more of the nation's resources to industrial investment and growth. No fundamental changes in price controls would be made during the currency of the Price Code, but what happened after the end of July 1976 clearly depended a great deal on how other aspects of counter-inflation policy developed. Whatever else might be said, price control had helped to sharpen the focus on the inter-relationships between price levels, profitability of enterprises and the capacity to invest, especially in manufacture. The Government had made it clear, for example, in its White Paper on industrial strategy (see pp 434, 496, 1975), that it intended to provide more scope for industry to invest – and a prior condition of that was an adequate profit margin. The Government was now committed to giving priority to industrial development over consumption, both public and private, and even over Britain's further social objectives, since the achievement of the latter depended on a strong and growing economy.

Industrial Strategy and Assistance

The Government has named 31 sectors of industry to which it intends giving special attention as part of its industrial strategy (see p 434, 1975). The

limit for financial assistance under the Industry Act 1972 has been raised by Parliament and aid available for the accelerated investment projects scheme has also been increased.

AGREEMENT AT NEDC MEETING

At the meeting of the National Economic Development Council (NEDC) on 14 January the Chancellor of the Exchequer, Mr Healey, and the Secretary of State for Industry, Mr Varley, proposed further steps in the development of the industrial strategy initiated at Chequers on 5 November 1975. Their proposals were endorsed by the representatives of the Confederation of British Industry and the Trades Union Congress who attended the meeting. Because of the Government's view that the improvement of the performance of manufacturing industry is of central importance for the future prosperity of the country, a list of 30 key sectors of industry to which special attention should be given has been put forward (the paper industry was added at a subsequent NEDC meeting on 4 February, bringing the total to 31). The selection takes account of net output, contribution to exports, contribution to the balance of trade and importance to other industries. Over the period 1971-73 these industries contributed 60 per cent of total manufacturing output, and 68 per cent of total manufacturing exports. They include some two-thirds of the top 50 industries ranked by size of net output and 15 of the top 20 (see below).

Mr Healey and Mr Varley proposed that tripartite working groups in the National Economic Development Office framework should hold detailed discussions on each sector, covering the improvement of prospects and the action to be taken by Government, management or unions. The prospects for each industry should be set in the national economic context. The NEDC was asked to review the progress of the exercise in July, in the light of first reports from the working parties. Some new industrial groups, including an Economic Development Committee on the food and drink industries, are to be set up to cover sectors not at present dealt with by Economic Development Committees.

Aid for Investment

Mr Healey announced the provision of a further £30 million under the Industry Act for accelerated investment projects to carry the scheme forward until the September deadline. This will give a total of £120 million, of which £20 million is set aside for modernisation projects (see p 436, 1975). On projects considered so far, £24 million has been offered towards additional capital investment of over £130 million, notably in the diesel engine, chemical, pharmaceutical and mechanical and electrical engineering industries. A further 50 projects in manufacturing industry are being examined, which, with those already agreed, represent additional investment of some £350 million. To be eligible, the capital costs of projects, including working capital, must usually be £500,000, but Mr Healey said that the Government would be prepared to consider applications for worthwhile projects below this threshold, particularly in the engineering field, where investment could contribute significantly to the country's industrial capability.

Key Sectors of Industry

The following industries have been listed for special attention as part of the Government's strategy to improve the performance of British industry in the medium and long term:

food; drink; mineral oil refining; organic chemicals; pharmaceuticals; synthetic resins and plastics; iron and steel (general) and steel tubes; ferrous foundries; non-ferrous foundries; metal-working machine tools; pumps, valves and compressors; industrial engines; mechanical machinery; construction and earth-moving equipment; mechanical handling equipment; industrial plant and steelwork; mechanical engineering (general) and metal industries (ball and roller bearings, precision chains, springs, drop forgings and miscellaneous metal goods); scientific and industrial instruments and systems; electrical machinery; radio and electronic components; electronic computers; radio, radar, electronic capital goods; domestic electrical appliances; shipbuilding and marine engineering; motor vehicles; aerospace equipment; man-made fibres; woollen and worsted; hosiery and knitwear; rubber industries; the paper industry.

PRIORITY FOR INDUSTRIAL NEEDS

In a speech to the American Chamber of Commerce before the NEDC meeting, on 13 January, Mr Varley emphasised some aspects of the Government's industrial strategy. He said it was concerned with a patient building up of viable industrial capacity at sectoral and plant level; improving the structure and performance of the manufacturing base and strengthening the confidence of both workers and employers. The strategy would involve greater flexibility among the unions towards overmanning, restrictive practices, attitudes to new technologies and other matters and it would mean that management must make sure that investment was adequate and efficiently used. It would also mean the Government giving priority to industrial needs and providing a greater continuity of policy while trying to remove obstacles to growth, and it would encourage the transfer of resources from industries with poor prospects to those with the potential to grow.

INCREASE OF STATUTORY ASSISTANCE

During a debate in Parliament to authorise a further increase to the limit of financial assistance available under the Industry Act 1972 (*Hansard*, 26.1.76, cols 173-204), the Minister of State, Department of Industry, Mr Gerald Kaufman, described how the current total of £245 million in commitments was made up. Parliament was asked to approve an increase of the limit to £350 million, in order to allow existing programmes to continue. The largest sums involved, Mr Kaufman said, were those where companies had originally been granted interim guarantees, which were subsequently extinguished by a financial reconstruction. The three particular cases were Scientific and Medical Instruments, where the Government contributed £4·5 million to the formation of a new company (see p 408, 1975); Alfred Herbert, where £26·2 million was provided in a financial reconstruction (see p 354, 1975); and

British Leyland, where the £100 million guarantee was extinguished through assistance under the British Leyland Act 1975 (see p 261, 1975). The second major factor was the agreement to provide assistance to Chrysler UK (see p 23).

Mr Kaufman referred to the scheme for generating additional investment as an important source of assistance and one that was succeeding in its aim of encouraging companies to bring forward significant investment projects, which they had been compelled to defer through pressures of the economic recession. He said that the potential new investment that would be brought forward would be measured in terms of hundreds of millions of pounds and would make a major contribution to the vital need to modernise and strengthen manufacturing industry.

CRITERIA FOR ASSISTANCE

The Government's document *Criteria for Assistance to Industry*, produced towards the end of 1975 in connection with the industrial strategy and placed in the library of the House of Commons on 12 January, sets out the Government's present guidelines for selective assistance (*Hansard*, 26.1.76, cols 11-13). The criteria were discussed during the debate on 26 January. The viability of a company is a major criterion in the document, which says: 'By and large, profitability and return on capital, measured in financial terms, remain the best *prima facie* indicator of an industry's or company's efficiency in using resources and in giving consumer satisfaction', concluding that if industrial performance were to be achieved, available resources should go to industries or companies which had 'the soundest performance and/or the best prospects as regards viability and rate of return'. The document points out, however, that 'in considering an assessment of viability along with an assessment of the social costs and benefits involved, the Government have always been more prepared to give proposals for assistance the benefit of the doubt as to the prospects of viability where the social cost of withholding assistance would be particularly high'. Mr Kaufman said that this was a criterion which had been used in providing assistance to Chrysler.

Industrial Relations

IMPROVED STRIKE RECORD

The number of working days lost through industrial disputes in Britain in 1975 was the lowest since 1968 (see Table 1). Only 5,957,000 working days were lost during 1975 compared with 14,750,000 in 1974. Moreover, the number of workers involved in industrial disputes fell from 1,626,400 in 1974 to 805,600 in 1975. The number of stoppages was down by 23 per cent from 2,992 in 1974 to 2,263 in 1975 (the lowest annual figure since 1971 and also lower than the average annual figure of 2,624 over the period 1965-75) and there were fewer stoppages in all but five of the major industry groups (see Table 2). The biggest drop was in coal mining, where the number of days lost fell from 5,625,000 in 1974 to only 51,000 in 1975.

International Comparisons 1965-74

Table 3 (based on information supplied by the International Labour Office) shows the number of days lost through industrial disputes per 1,000

Table 1 Stoppages of work in Britain in the years 1965-75

Year	Number of stoppages beginning in year	Number of workers* involved in stoppages (thousands)			Aggregate number of working days lost in stoppages (thousands)		
		Beginning in year		In progress in year	Beginning in year		In progress in year
		Directly	Indirectly		(*a*)	(*b*)	
1965	2,354	673	195	876	2,906	2,932	2,925
1966	1,937	414†	116	544†	2,372	2,395	2,398
1967	2,116	551†	180	734†	2,765	2,783	2,787
1968	2,378	2,073†	182	2,258†	4,672	4,719	4,690§
1969	3,116	1,426	228†	1,665†	6,799	6,925	6,846
1970	3,906	1,460	333	1,801	10,854	10,908	10,980
1971	2,228	863†	308†	1,178†	13,497	13,589	13,551
1972	2,497	1,448†	274†	1,734†	23,816	23,923	23,909
1973	2,873	1,103	410	1,528	7,089	7,145	7,197
1974	2,922	1,161	461	1,626	14,694	14,845	14,750
1975	2,263	567	218	806	5,805	‡	5,957

(*a*) The figures in this column only include days lost in the year in which the stoppages began.
(*b*) The figures in this column include days lost both in the year in which the stoppages began and also in the following year.
* Workers involved in more than one stoppage in any year are counted more than once in the year's total. Workers involved in a stoppage beginning in the year and continuing into another are counted in both years in the column showing the number of workers involved in stoppages in progress.
† Figures exclude workers becoming involved after the end of the year in which the stoppage began.
‡ As some stoppages were still in progress at the end of the year this figure is not yet available.
§ In 1968 about 1·5 million days were lost as a result of a one-day national stoppage in the engineering industry.

Table 2 **Stoppages of work in Britain in 1975 and 1974†**

Industry	1975*			1974		
	Stoppages beginning in year	Stoppages in progress		Stoppages beginning in year	Stoppages in progress	
		Workers involved	Working days lost		Workers involved	Working days lost
Agriculture, forestry, fishing	2	100	1,000	5	1,000	22,000
Coal mining‡	208	27,500	51,000	186	306,700	5,625,000
All other mining and quarrying	5	400	4,000	10	700	3,000
Food, drink and tobacco	91	23,700	158,000	154	103,700	577,000
Coal and petroleum products	6	2,000	47,000	6	3,900	68,000
Chemicals and allied industries	53	30,800	214,000	64	15,300	88,000
Metal manufacture	148	63,800	355,000	229	98,300	892,000
Engineering	502	166,100	1,677,000	567	228,400	2,004,000
Shipbuilding and marine engineering	64	35,200	520,000	87	57,000	693,000
Motor vehicles	150	163,800	836,000	223	296,600	1,755,000
Aerospace equipment	37	13,000	117,000	37	20,700	229,000
All other vehicles	13	8,800	170,000	20	8,500	49,000
Metal goods not elsewhere specified	126	25,600	201,000	163	27,400	214,000
Textiles	69	37,300	227,000	94	30,500	236,000
Clothing and footwear	43	11,900	103,000	31	6,400	19,000
Bricks, pottery, glass, cement, etc.	49	8,000	48,000	76	19,900	108,000
Timber, furniture, etc.	23	3,800	22,000	32	4,000	24,000
Paper, printing and publishing	44	11,700	106,000	74	54,800	275,000
All other manufacturing industries	52	18,800	136,000	89	37,700	267,000
Construction	204	26,200	258,000	203	22,400	252,000
Gas, electricity and water	15	4,500	10,000	23	8,100	57,000
Port and inland water transport	76	37,300	323,000	120	49,300	122,000
Other transport and communication	109	48,200	100,000	187	85,800	584,000
Distributive trades	54	6,200	66,000	74	20,600	114,000
Administrative, financial and professional services	95	21,700	158,000	130	112,300	432,000
Miscellaneous services	35	9,100	49,000	49	6,400	41,000
Total	2,263§	805,600	5,957,000	2,922§	1,626,400	14,750,000

* The figures are provisional and subject to revision. Final figures for 1975 are scheduled to appear in May or June 1976.
† The statistics relate to stoppages of work due to industrial disputes connected with terms and conditions of employment. Industrial stoppages involving fewer than 10 workers or lasting less than one day are excluded, except any in which the aggregate number of days lost exceeded 100.
‡ In the period from January to March 1974 information was not available for stoppages in coal mining other than for the national stoppage from 10 February to 8 March.
§ Some stoppages of work involved workers in more than one industry, but have been counted as only one stoppage in the total for all industries taken together.

people employed in a number of countries, including Britain, during the last ten years. The industries covered are in most cases mining, manufacturing, construction and transport. As the definitions used for these statistics vary from country to country, too much significance should not be attached to relatively small differences in the figures.

Five- and Ten-year Averages

The averages show that throughout the ten-year period Britain has had slightly higher than the median number of days lost per year for the 18 countries listed. Those countries which have on average lost more days per 1,000 employees than Britain in each of the five-year periods 1965-69 and 1970-74 include Italy, Canada, the United States, India and Australia. The major industrial countries with consistently better records than Britain in each five-year period include Sweden, the Federal Republic of Germany, Netherlands, Japan, France and Belgium.

A notable feature of the five-year averages is that, with the single exception of Ireland, the average number of days lost per 1,000 employees per year in each of the countries listed for the years 1970-74 is higher – in most cases considerably higher – than for the years 1965-69.

The 1974 figure for India is not yet available. The statistics for Sweden before 1972 are not truly comparable with those for subsequent years, as only since 1972 have separate figures been available for the industry groups to which the table relates.

TRADE UNION AND LABOUR RELATIONS (AMENDMENT) BILL

The Trade Union and Labour Relations (Amendment) Bill received a second reading for a second time in the House of Commons on 9 December 1975 (*Hansard*, cols 241-370) (see also pp 27-9 and 495, 1975). Opening the debate, the Secretary of State for Employment, Mr Michael Foot, said that the Bill being reintroduced was substantially the same as that given a second reading on 3 December 1974. The Bill contained some significant improvements on its previous form in the definition of a 'union membership agreement' or

Table 3 **Days lost (per 1,000 people employed) through industrial disputes**

	1968	1971	1972	1973	1974†	Average for 5 years 1965-1969	Average for 5 years 1970-1974	Average for 10 years 1965-1974
Australia*	460	1,300	840	1,030	2,510	482	1,344	913
Belgium	230	720	180	500	330	156	512	334
Canada	1,670	800	1,420	1,650	2,600	1,556	1,732	1,644
Denmark§	20	30	40	4,020	300	110	912	511
Finland	250	3,300	530	2,500‡	470	206	1,414	810
France	(*a*)	440‡	300	330	250	242 (*b*)	300	274 (*b*)
Federal Republic of Germany	—	340‡	—	40	60	10	90	50
India	1,150	1,100‡	1,300	1,330	(*a*)	1,010	1,292 (*c*)	1,136 (*c*)
Ireland	910	670	600	420	1,260	1,348	688	1,018
Italy	930	1,060	1,670‡	2,470‡	1,300	1,584	1,746	1,665
Japan	160	310	270	210	450	198	288	243
Netherlands	10	50	70	330	—	12	118	65
New Zealand	310	350‡	300‡	530‡	360	242	402	322
Norway	10	10	—	10	490	4	116	60
Sweden**	—	240‡	10‡	—	30	28	64	46
Switzerland	—	10	—	—	—	—	2	1
United Kingdom	370	1,190	2,160	570	1,270	300	1,186	743
United States‡‡	1,590	1,600‡	860‡	750‡	1,480	1,230	1,380	1,305

*Including electricity, and gas, excluding communication.
† Preliminary figures.
‡ Revised figures.
§ Manufacturing only.
** All industries included until 1971.
‡‡ Figures cover also electricity, gas and sanitary services.

(*a*) Figures not available.
(*b*) 1968 excluded from averages.
(*c*) 1974 figure unavailable and not included in averages.
Note: Where no figure is given the number of days lost per 1,000 employed is less than 5.

'closed shop' (see p 28, 1975) which would enable employers and unions which decided to draw up such agreements to do so on a more flexible basis than the Trade Union and Labour Relations Act (see pp 159-61, 323, 1974) allowed.

Distribution of Income and Wealth

HIGHER INCOMES FROM EMPLOYMENT

The present position and past trends in the distribution of income from employment at levels above £10,000 a year are described by the Royal Commission on the Distribution of Income and Wealth in its third report *Higher Incomes from Employment* (Report No 3), Cmnd 6383, HMSO, £3·15, ISBN 0 10 163830 2) published on 29 January. It also examined the economic and social reasons given for the levels and distribution of these higher incomes in relation to others (see also pp 320, 362, 1974 and 321-6, 1975).

The commission found that in 1974-75 about 65,000 people, or three in every thousand of all recipients of employment income, received total employment incomes of £10,000 a year or more before tax. There was evidence of a reduction in the spread of higher-level incomes since 1959 both before and after tax; and of a concentration of higher-level employment incomes in London and the south-east of England. Using data of full-time men employees earning over £8,000 a year, the commission found that over half were in manufacturing industries, insurance, banking, finance and business services.

In a comparison of managerial salaries in Britain with those in ten other developed countries the report shows that managers in Britain are paid roughly the same salary as their counterparts in Australia and the Netherlands and more than those in Sweden when tax and the difference in price levels are taken into account. However, on the same basis, pay in Britain for comparable managerial jobs was lower than that in the Federal Republic of Germany, France, Canada and the United States of America. Britain has shared the experience of other Western industrial countries in exhibiting a trend towards reducing the gap between the pay of higher and lower managers and that between higher and lower levels of pay in general.

Scope of the Report

The report contains factual and statistical information about levels and distributions of incomes from employment; a factual account of salary differentials and how they have moved both in Britain and overseas in recent years; and discussions of fringe benefits and superannuation at higher employment income levels, methods of salary determination, the social characteristics of higher employment income earners, and the social and economic reasons for higher employment incomes. In accordance with the latitude allowed in its terms of reference, the commission considered incomes below £10,000 a year where appropriate. For the statistical section of the report the analysis is related to October 1974, the date

at which the commission received its reference, or the most recent subsequent date or period available.

Distribution of Higher Employment Incomes

The commission estimates that in 1973-74 there were some 214,000 married couples or single persons with before-tax incomes from all sources (that is, employment, self-employment, pensions, property and investments of all kinds) of £10,000 a year or more at 1974-75 prices. Within this total about 64,000 individuals received their income from employment (other than self-employment, which was not considered in the report[1]), including the value of fringe benefits to the extent that they are taxable (see p 80). Between 1959 and 1974 the proportion of all recipients of employment incomes in this class remained at about 0·2-0·3 per cent, accounting in 1974-75 for some 2·1 per cent of total employment income in Britain.

The commission found that there had been compression in the spread of employment incomes before tax since 1959 at the higher levels (see Table 1). The highest 0·01 per cent for males, which in 1959-60 was £13,134 or 21 times the median, moved to £24,072 or 15 times the median in 1973-74. Over the same period the highest 0·1 per cent moved from £5,854 to £12,590, or from nearly 10 times to nearly 8 times the median; while the highest 1 per cent moved from £2,345 to £5,665, or from nearly 4 times to nearly 3·5 times the median.

Estimates of the incomes of married men with two children under 11 who were receiving no other reliefs and allowances shows that the spread of the higher incomes, recalculated on this basis, was substantially less after tax than the spread before tax. In 1959-60 the highest 0·01 per cent, the highest 0·1 per cent and the highest 1 per cent were, respectively, 11, 7 and 3 times the median after tax, and in 1973-74, 7, 5 and 3 times the median after tax.

The report estimates that, when the corresponding levels of before-tax remuneration are adjusted to allow for income tax and changes in the value of money since 1959 (Table 1), the median employment income in 1959-60 had increased by 34 per cent by 1973-74; while in the same period, that of the highest 1 per cent had increased by only 26 per cent, that of the highest 0·1 per cent had decreased by 2 per cent and that of the highest 0·01 per cent had decreased by 15 per cent.

Regional Distribution

The commission found that there was a concentration of higher level employment incomes in London and the South-East, which were the only regional areas in which the number of recipients of incomes of £8,000 and above in 1973-74 expressed as a percentage of the total of such incomes, was higher than the percentage of all employment income recipients in these areas.

[1] In a written parliamentary reply (*Hansard*, 19.3.75, col 412), the Government stated that it had agreed that the commission should defer its consideration of self-employment income so as to enable it to concentrate on the less diffuse subject of employment income, especially as the circumstances of the self-employed at all levels of income were special and merited separate treatment.

Industries, Occupations and Ages

The report shows that about 29 per cent of full-time men employees in the Department of Employment's New Earnings Survey 1974 with earnings equivalent to £8,000 a year or more were employed in manufacturing industries; 26 per cent in insurance, banking, finance and business services; 11 per cent in professional and scientific services; 10 per cent in the distributive trades and 9 per cent in national and local government service. In addition, the commission estimates that about 7 per cent of the 65,000 people with employment incomes of at least £10,000 in 1974-75 were employed in the public sector, which accounted for 29 per cent of all employees. Of full-time men employees in the 1974 survey, about 70 per cent in the higher-earning groups were concerned with management; and about 70 per cent with earnings above the equivalent of £8,000 a year were aged between 40 and 60, compared with 45 per cent of all full-time men employees. Of those earning the equivalent of £12,000 a year or more the proportion in the 50-59 age group was more than double that among all full-time men, that is, 47 per cent compared with 22 per cent.

Directors' Fees

Company accounts examined by the commission showed that for 1973-74 the emoluments of 32 per cent of the total number of directorships covered were £2,500 a year or less, and of a further 9 per cent were between £2,501 and £5,000 a year. Such information as was available suggested that the majority of those of £2,500 a year and below, and many of those in the higher range, were paid to part-time directors.

Managerial Salaries in Britain and Overseas

Britain

The commission noted that a wide range of remuneration was paid for jobs commonly regarded as being similar in content; there was no single rate for the job and there were variations within companies as well as between companies and between industries.

The report shows that real take-home pay (that is, after tax and adjustments for changes in the retail prices index) for jobs at most levels of management declined between July 1969 and July 1975, during which period salaries after tax at constant prices had fallen by about 17 per cent at the £10,000 a year level, and by about 25 per cent at the £20,000 a year level – most of the decline having occurred in the last two years of this period. The commission considered that, on average, the fall was unlikely to have been substantially offset by improvements in the provision of fringe benefits and superannuation for higher income earners. Although the span between the pay of the highest paid manager in a company and the average earnings of a manual worker in the same firm varied widely from company to company, depending on the size of the company and many other factors, the available information indicated that, on the basis of earnings alone, there had been a reduction in differentials (expressed as ratios) both before and after tax between higher

Table 1 Estimated Net Employment Incomes of Males at Constant Prices

The estimated net (post-tax) employment income from all sources at constant 1959-60 prices of males at the quantile values of gross employment income in the tax years 1959-60, 1964-65, 1969-70 and 1973-74 assuming that income tax was paid at the appropriate rate for a married man with two children under 11 years of age with no other allowances, with, for comparison, the corresponding quantile values of gross and net employment income at current prices

QUANTILE	Proportion falling below	Value of gross total employment income				Value of net total employment income				Value of net total employment income at constant 1959-60 prices			
	%	1959–60 £	1964–65 £	1969–70 £	1973–74 £	1959–60 £	1964–65 £	1969–70 £	1973–74 £	1959–60 £	1964–65 £	1969–70 £	1973–74 £
Median	50	612	836	1,120	1,836	610	816	1,022	1,620	610	703	714	816
Top 10%	90	1,016	1,385	1,920	3,017	935	1,217	1,566	2,446	935	1,048	1,094	1,232
Top 1%	99	2,345	3,196	4,093	6,192	1,864	2,482	3,037	4,661	1,864	2,138	2,122	2,348
Top 0·1%	99·9	5,854	7,671	8,887	13,598	4,190	5,153	5,520	8,134	4,190	4,439	3,857	4,098
Top 0·01%	99·99	13,134	16,416	17,670	25,925	6,952	7,622	7,384	11,717	6,952	6,565	5,159	5,903

Source: Derived from Inland Revenue Survey of Personal Incomes.

Table 2 Comparison of Salaries After Tax in Various Countries

Median basic salary in July 1969 and July 1975 converted at ruling rates of exchange after deduction of tax

JOB LEVEL	UK		Australia		France		Germany (Fed Rep)		Canada		USA	
	July 1969	July 1975	July 1969	July 1975	July 1969	July 1975	July 1969	July 1975	July 1969	July 1975	July 1969	July 1975
	£	£	£	£	£	£	£	£	£	£	£	£
A	1,330	2,580	1,890	3,806	1,970	5,026	1,570	4,779	2,620	4,458	3,330	4,730
B	2,060	3,850	2,590	5,086	3,530	8,519	2,720	7,201	3,810	6,229	5,020	7,000
C	2,800	5,020	3,220	6,217	4,860	11,719	3,720	9,272	4,730	7,856	6,540	9,069
D	3,550	6,040	3,620	7,086	6,060	14,634	4,760	11,140	5,490	9,165	7,940	10,781
E	4,860	7 580	4,350	8,320	8,600	19,874	6,910	14,062	6,770	11,475	10,440	13,824
F	5,860	8,690	5,050	9,389	11,070	25,968	n/a[1]	16,695	7,880	13,648	12,580	16,579
G	6,790	10,010	5,980	10,994	n/a[1]	n/a[1]	n/a[1]	n/a[1]	9,220	16,568	15,620	20,532

Source: HAY-MSL Limited (a firm of international management consultants commissioned by the Royal Commission on the Distribution of Income and Wealth to produce analyses of movements in the remuneration of comparable jobs both in Britain and overseas).
[1]Not available—sample size too small to be reliable.

managers' employment incomes and those of manual workers. Moreover, whereas the absolute amounts of the differentials between managerial job levels had increased between 1969-70 and 1974-75, the real value of differentials after tax had fallen in the period July 1969 to July 1975 by between 29 and 39 per cent for jobs between the £10,000 a year and £20,000 a year levels.

Overseas

From work done for the commission by a firm of international management consultants (see Table 2), it is estimated that remuneration in Britain for comparable managerial jobs is about the same as in Australia, but about 70 to 75 per cent of that in the Federal Republic of Germany and about 50 to 60 per cent of that in France, Canada and the United States of America. Information from other sources indicates that such remuneration is generally lower in Britain than in other countries except Sweden and the Netherlands. The differentials in real terms after tax between steps in the management structure, expressed as ratios, are generally greater in Britain than in Australia and Canada, but generally less than in France, and in the aggregate in the Federal Republic of Germany and the United States of America. When managerial salaries are compared with the gross domestic product per economically active person, Britain is found to occupy an intermediate position among a number of other developed industrial countries.

Information on emigration from Britain of managerial staff and of scientists and qualified engineers does not show any upward trend up to 1973, the last year for which figures are available.

Fringe Benefits and Superannuation

Fringe Benefits

Fringe benefits, defined as payments in cash or in kind additional to salary, bonus and commission, which increase the command of individuals over economic resources, were found to be generally subject to taxation; the most widespread in the private sector for managing directors and senior general managers being the use of a company car (about 90 per cent), subsidised lunches (about 60 per cent) and medical insurance (about 50 per cent). The commission found that the value of fringe benefits could be quite significant when computed in terms of their possible worth to the employee compared with an equivalent increase in income before tax.

Superannuation

Provision for superannuation is an important element of total remuneration for most recipients of higher incomes from employment and usually represents the largest of the additional benefits available, both in terms of value to the employee and cost to the employer. The tax benefits associated with approved superannuation schemes in Britain lessen the impact in practice of high marginal rates of tax, especially for those receiving increases in pay in the later stages of their careers. This is one reason why increases in pay are sought late in their careers by employees already liable to the highest marginal rates of tax on their current pay. The report emphasises that these factors need to be borne in mind when considering the effects of tax on salary, on differentials and on increases in salary, and in particular when making comparisons with other countries (where, in general, superannuation provisions do not attract tax benefits equivalent to those obtainable in Britain).

Although it is difficult to make precise calculations about the costs to employers of providing superannuation benefits, estimates have been made which show that employers' actual current contributions for the superannuation of board members and senior executives in the private sector average 15 to 20 per cent of current remuneration. Information on the cost to the employer of total non-cash benefits (including superannuation) shows that at the levels of salary with which the commission was concerned the costs, including the business use of cars, averaged from 23 to 29 per cent of total remuneration, rising with salary level.

Methods of Salary Determination

The report says that there is a variety of methods and procedures in Britain for determining higher employment incomes, not always mutually exclusive, which may be based on salary structures, collective bargaining, recommendations by independent review bodies (for many public sector posts) and other methods involving *ad hoc* determination.

Salary Structures

The majority of large organisations and some smaller ones make use of formal salary structures, which are commonly based upon a systematic comparison of jobs one with another through job evaluation; and surveys of pay for comparable jobs elsewhere are used to monitor the relationship of pay within an organisation to that in the external job market (see also p 64, 1974). The structure of an organisation and the pay differentials associated with it vary widely according to the purpose of the undertaking and can vary within firms with different circumstances.

Collective Bargaining

Collective bargaining has been spreading in recent years into the managerial field. Although few instances in the private sector were brought to the commission's attention where salaries of £10,000 a year or more were settled in this way, the impact on such salaries of settling lower salaries by collective bargaining, both in private industry and in the public sector, is becoming increasingly important.

Other Methods

Many higher salaries in the private sector, and some in the nationalised industries, are set either by unilateral management action or through direct negotiation between the employer and the individual employee – and are influenced by the external labour market in both large and small organisations. In many large companies the salaries of full-time board members are determined by committees composed of the chairman and non-executive part-time directors; information about such salaries

is available to shareholders, who may exert some influence on those fixing the salaries, although their legal powers are rarely exercised in practice.

Age and Social Background

The great majority of higher employment income earners are over 40 years of age, only some 3 per cent of those earning over £10,000 a year or more being under 40 – while the average age of such earners was over 50. Higher employment incomes normally occur only towards the end of a managerial career.

In the large organisations on which the commission had information, the great majority of people earning higher employment incomes held university degrees or the equivalent, and a substantial proportion of the directors and chief executives of leading companies were educated at public (that is, fee-paying) schools.

Economic and Social Reasons for Higher Employment Incomes

The commission accepted in principle that pay differentials were necessary for management as for other employees on both economic and social grounds; what was at issue was the size of these differentials and their economic and social functions. Given the multiplicity of factors involved – such as the requirements of salary structures within firms, pay comparisons and the labour market – and the fact that these factors were subject to constant change, salary determination could not be an exact science. The commission therefore concluded, in relation to differentials, that there was considerable scope in practice for the exercise of choice and discretion while taking into account the need to be both equitable and efficient. Regarding the influence on higher employment incomes of tax changes, upward pressure from the bottom and curtailment at the top, the commission noted that, while employers expressed concern at high marginal rates of tax, they did not seek to design their salary structures so as to take account of tax movements; and that a broad consensus over pay relationships would be a desirable goal, whether or not policies were in force for restricting employment incomes. The commission saw the general contraction of differentials between higher and lower levels of pay in the longer run of past years as part of a process of change experienced in the course of economic and social development by a number of Western countries and was therefore not persuaded that the sizes of differentials generally in the future needed to be determined on the basis of those existing at some arbitrary date. The particular changes that had come about in differentials in Britain in the last two years owed much to the exceptional circumstances of the time.[1]

[1] In an addendum to the report, three members of the commission pointed out that the total after-tax earnings of those earning £10,000 a year or more from employment amounted to only 1·2 per cent of the total after-tax income of all employment incomes; an improvement in the standard of living of the lower-paid could therefore only come from the creation of more income resulting from new capital investment and greater productivity. In their view, the rapid erosion of the real value of managerial salaries, if not checked, would have a serious effect on the willingness of top managers to undertake the arduous and exacting duties which their positions required; they also felt that the early recognition and solution of this problem would be consistent with the general long-term trend towards greater equality of income achieved by raising general living standards.

The commission accepted the view put to it in evidence that the lower level of wages and salaries as a whole in Britain was in the main a reflection of comparative national prosperity and that it was not in general possible to insulate one section of the community from the lack of comparable national economic growth.

The commission recommended that the figures on which it had based its conclusions should be kept under regular review in order that any significant changes in the information available could be detected.

Concorde

FIRST COMMERCIAL CONCORDE SERVICE

British Airways and Air France introduced the world's first supersonic scheduled passenger air services on 21 January, substantially reducing journey times on the routes between London and Bahrain, and Paris and Rio de Janeiro.[1] The first commercial flight was a major step in the *Concorde* programme,[2] one of Europe's largest technological projects which was developed as a result of co-operation between Britain and France.

British Airways' *Concorde 206* carried 98 commercial passengers, official guests and news reporters on the first outward journey from London to Bahrain. Although the normal eastbound journey time of 6 hours 20 minutes by subsonic jet is cut to about 4 hours by *Concorde*, the first commercial flight took only 3 hours 38 minutes, arriving nearly 20 minutes ahead of schedule. *Concorde* flies subsonically over the continent of Europe, but for the remainder of its 3,500-mile (5,633-kilometre) journey it cruises at up to 1,350 mph (2,173 km/h). *Concorde* flew the return journey on 22 January in 4 hours 13 minutes, compared with the normal westbound time of some 7 hours 20 minutes. British Airways plans to extend the London-Bahrain route to Singapore and Melbourne. Air France's *Concorde 205* covered the trip from Paris to Rio de Janeiro via Dakar in just over 6 hours' flying time, over four hours less than that taken by previous scheduled services; the return trip amounted to 5 hours 49 minutes' flying time. The cost of a ticket on both services is the first-class fare plus 15 per cent. Both services have a frequency of two return flights a week.

The Secretary of State for Trade, Mr Peter Shore, one of the official guests on the first London-Bahrain flight, said prior to departure that civil aviation was at the beginning of the new supersonic age, 'a step still greater than that which marked the start of the jet age some 24 years ago'. Mr Shore said that it was an occasion for pride, particularly

[1] On 26 December 1975 the Soviet Union's supersonic *Tupolev 144* aircraft began to carry freight and mail on a commercial basis.

[2] Other major recent developments including aircraft and engine certification are outlined in *Concorde*, COI, Factel No 662/76. For detailed information on the development of the project up to 1975 and for technical details see *Concorde*, COI, NST/50.

for those who had helped to design, build, equip and develop *Concorde* and had surmounted the many problems involved; wherever *Concorde* travelled it would be 'evidence of the continuing vigour, skill and enterprise' of the British and French people. He noted that those who needed to fly rapidly would soon recognise the immense advantages of the *Concorde* service.

LANDING RIGHTS IN THE UNITED STATES

Following a public hearing in Washington on 5 January to consider *Concorde's* proposed landings at Washington and New York (John F. Kennedy) international airports, the United States Secretary of Transportation, Mr William Coleman, announced on 4 February that *Concorde* would be allowed to land at these airports for a 16-month trial period from the introduction of commercial services, subject to certain conditions. British Airways and Air France would each be allowed two flights a day into New York and one a day into Washington. All flights would be between 7 a.m. and 10 p.m. British flights would have to originate at London (Heathrow) and French flights at Paris (Charles de Gaulle) airports. *Concorde* would not be permitted to fly supersonically across the United States. The United States Federal Aviation Administration would be able to impose additional noise abatement procedures. Monitoring equipment would be installed at the airports to assess the effects of *Concorde* and a high-altitude pollution programme would be undertaken to produce results for the future regulation of supersonic operations. The environmental costs of *Concorde* in terms of noise, Mr Coleman's statement continued, would be outweighed by the benefits to the United States people that would result from the demonstration. The trial period would enable the effects of *Concorde* to be analysed before a final decision on its landing rights was taken.

The Secretary of State for Trade welcomed Mr Coleman's decision and said that it gave *Concorde* the opportunity to demonstrate that it could operate without a significant adverse impact on the environment. Mr Shore said that British Airways was well advanced in planning *Concorde* services to the United States and would have immediate detailed discussions with the United States authorities. British Airways and Air France are hoping to start regular services across the North Atlantic as soon as possible, subject to any legal action against the decision of the Secretary of Transportation and to consideration of landing rights at John F. Kennedy Airport by the Port Authority of New York and New Jersey.

Opening of National Exhibition Centre

Queen's Speech

The National Exhibition Centre (NEC), Birmingham (see pp 481-2, 1974[1]), was officially opened by the Queen on 2 February. In her speech at the opening ceremony, the Queen said that ever since the end of the second world war (in 1945), there had been demands for an exhibition complex large enough to mount international as well as national events and having all the modern services and facilities with which to attract exhibitors and visitors from all over the world. The nation had at last acquired an exhibition centre which could bear comparison with the best the rest of the world had to offer; moreover, the project had been completed on time without a day lost to industrial disputes.

The Queen drew attention to the fact that Britain was the first nation to organise an industrial exhibition, in 1761, and the first to organise an international exhibition, the Great Exhibition, in 1851. The new centre, which was ideally situated at the heart of a great industrial area with excellent access by road, rail and air, would provide a magnificent setting for the display of British goods and a market place for the world, and also encourage social contact between manufacturers and customers which was so vital to the development of satisfactory commercial relationships.

Government Services Centre

The NEC central piazza contains a Government Services Centre (GSC) which has a display and information service for exhibitors and visitors. An average of 250 inquiries a day were made during the first three days of opening of the GSC, which is staffed by the Central Office of Information and provides information about Government advice and assistance available to businessmen and exporters – for example, through the Export Credits Guarantee Department and the British Overseas Trade Board (BOTB). Maps show where help can be sought from the BOTB and the Department of Trade, both in London and in the various regions of Britain, and from the many Government posts overseas.

[1] See also *National Exhibition Centre, Birmingham*. CO1, SN5979.

European Scientific Co-operation

BRITAIN AND SOLAR-TERRESTRIAL RESEARCH

Britain's Science Research Council (SRC) together with scientific research councils in Finland, France, the Federal Republic of Germany, Norway and Sweden recently signed an agreement establishing the European Incoherent Scatter Facility (EISCAT) to probe the ionosphere using high-power radar techniques. The organisation, which will be funded by the six member agencies and will operate from three bases inside the Arctic circle – at Kiruna (Sweden), Tromsø (Norway) and at Sodankylä (Finland) – will have its headquarters at Kiruna, where the first meeting was held on 20 January.

Nature and Significance

Incoherent scatter, a method of probing the ionosphere from the ground, has proved its worth in various parts of the world, including Britain, where a successful incoherent scatter experiment involving

radio telescopes at Jodrell Bank, Chilbolton, Malvern and Aberystwyth was recently concluded.

The high-latitude ionosphere is an important link in the chain of causation by which charged particles emitted by the sun – the solar wind – affect the earth's upper atmosphere. Some solar wind particles enter the magnetosphere and large electrical voltages are developed. The solar wind flows continually, but is quickened and intensified when solar flares, which often accompany sunspots, occur on the sun. There follow enhanced auroral displays and perturbations of the earth's magnetic field – magnetic storms – and the ionosphere – ionospheric storms; hence the fact that sunspots affect radio communications. Moreover, evidence now exists that some meteorological happenings are influenced by the solar wind.

All these phenomena fall within the ambit of solar-terrestrial physics, a branch of science actively pursued by over 20 groups of scientists in Britain and hundreds of groups world-wide.

Purpose of EISCAT

The purpose of EISCAT, which will be a powerful tool for furthering studies in solar-terrestrial physics, is to give detailed information about the ionosphere in high latitudes of interest to scientists in a wide range of disciplines. EISCAT offers an excellent method of tackling complex scientific problems such as those associated with the aurora, magnetic storms and their effects on the ionosphere, and with the way in which the ionosphere is linked with the lower atmosphere and with the magnetosphere.

The cost to the SRC at current prices and exchange rates will be about £2·4 million towards the capital cost of the facility and about £160,000 annually towards running costs; similar contributions will be made by the other members.

At Tromsø will be installed two high-powered radar transmitters and at the three sites mentioned above a number of receivers. Observing time on the EISCAT facilities, which should become operational in 1979, will be divided between a programme common to all members, in which British scientists will be fully involved, and other programmes in which British research workers will be entitled to a share of the remaining observing time for their own experiments. Access to EISCAT should keep Britain in the forefront of a very active branch of science.

Environmental Pollution

ROYAL COMMISSION'S FIFTH REPORT

The fifth report of the standing Royal Commission on Environmental Pollution was published on 15 January.[1] It was prepared in response to a request made in June 1974 by the Secretary of State for the Environment, Mr Anthony Crosland, for a review of the efficacy of methods of control of air pollution from domestic and industrial sources and an examination of the relationship between the relevant authorities.

The Royal Commission was appointed in 1970, under the chairmanship of Sir Eric Ashby (now Lord Ashby), with general terms of reference 'to advise on matters, both national and international, concerning the pollution of the environment; on the adequacy of research in this field; and the future possibilities of danger to the environment'. It was reconstituted in 1973, when Sir Brian Flowers became chairman. Previous reports have included two general surveys of pollution problems and control (see pp 131-4, 1971 and 30-2, 1975), a study of issues in industrial pollution (see pp 173-4, 1972) and an examination of pollution in estuaries and coastal waters (see pp 436-8, 1972).

Control of industrial air pollution in Britain is at present shared between local authorities, which control emissions from the vast majority of works, and a central body, the Alkali Inspectorate (in Scotland, the Industrial Pollution Inspectorate), which controls emissions from those industries which are technologically difficult to control. Domestic air pollution control is entirely the responsibility of local authorities.

Conclusions and Recommendations

The Royal Commission's fifth report contains a comprehensive review of the problem of air pollution from both domestic and industrial sources and of the present system of control, and goes on to consider probable future developments, taking into account other related areas of environmental pollution. It makes over 90 recommendations.

In an introduction, it is pointed out that although the study relates primarily to the existing system of air pollution control in England and Wales, the Scottish system, which is essentially similar, was also taken into consideration. Arrangements in Northern Ireland, where the legislation is significantly different, were not considered, but the commission saw no reason in principle why its recommendations could not also be adapted to conditions there.

Central Pollution Inspectorate

The chief recommendation made by the commission is that a new central body, to be called Her Majesty's Pollution Inspectorate (HMPI), should be set up to deal comprehensively with all forms of pollution arising from those industrial processes which present difficult control problems. The commission points out that pollution of the air cannot be looked at in isolation from pollution of land or water, since 'the reduction of emissions to the atmosphere can lead to an increase in wastes to be disposed of on land or discharged to water, and vice versa'. HMPI would take over the functions and staff of the Alkali Inspectorate, but would have a wider responsibility to limit industrial pollution in any form arising from the type of industry with which the inspectorate deals. A separate HMPI would be set up in Scotland.

Like the Alkali Inspectorate, HMPI would operate

[1] *Air Pollution Control: an Integrated Approach.* Cmnd 6371. HMSO, £1·75. ISBN 0 10 163710 1.

on the principle of 'best practicable means',[1] extending it to cover solid wastes and liquid effluents as well as air pollution: that is, it would aim to achieve the 'best practicable environmental option', taking into account all forms of pollution from an industrial process and considering the technical possibilities for dealing with it. It would work closely with existing waste disposal authorities and would complement the work of water authorities in, for example, seeking to reduce the discharge of effluents to water; but it would not trespass on the responsibilities of these authorities for such matters as determining conditions of consent for discharges into rivers or maintaining water quality.

Pending the setting up of HMPI, the commission recommends that the Alkali Inspectorate, which at present forms part of the Health and Safety Executive set up under the Health and Safety at Work etc Act 1974 (see pp 177-9, 1974), should be transferred to the direct control of the Department of the Environment. The executive, and the Health and Safety Commission to which it is responsible, are, in the commission's view, 'overwhelmingly concerned' with conditions inside and immediately outside the place of work. 'We have reached the firm conclusion', the report states, 'that it is wrong in principle that they should control an inspectorate whose sole concern should be with the external environment as a whole. This would be even more true of HMPI, which would have wider environmental responsibilities.'

Control of Emissions

Examining the methods of working and the achievements of the Alkali Inspectorate, the commission comes to the conclusion that the 'best practicable means' approach used by the inspectorate is 'inherently superior to control by nationally fixed and rigid emission standards'. A continuing balance needs to be struck between the costs and benefits of pollution abatement, and the best practicable means formula provides flexibility to take account of local circumstances. There are, however, in the commission's view, some defects in the system – for example, that it sometimes appears imprecise and inaccessible to the outsider – and it proposes, therefore, that in future the best practicable means for an industry should be 'determined through a more formal machinery which enables the views of amenity groups, the scientific community, local authorities and the general public to be taken into account as well as those of the industry'. The main elements of the agreed best practicable means for each works' plant should be recorded in a local 'consents' register and there should be a procedure for public involvement in significant changes. Periodic renewal of consents for each works should be required, with provision for renewal to be refused where pollution control arrangements were inadequate. In such circumstances it would be illegal for a works to continue to operate.

[1] This is a flexible system which, instead of imposing statutorily enforceable emission standards, requires the use of the best practicable means for preventing the emission into the atmosphere from industrial premises of obnoxious or offensive substances and for rendering harmless and inoffensive such substances as may be emitted.

Powers of Local Authorities

Local authorities are responsible, under the Clean Air Acts of 1956 and 1968, for the control of domestic smoke emission, and have powers to create smoke control areas in which it is an offence to emit smoke from any chimney unless the premises concerned have been exempted. The commission notes that, although the total amount of smoke in the air has been reduced by about 80 per cent since the early 1950s, over 90 per cent of smoke emissions still come from domestic sources; and it points out that domestic smoke, 'emitted slowly and at a low level, causes high local concentrations, whereas emissions from industry are normally widely dispersed through tall chimneys. Domestic emissions therefore still constitute a major air pollution problem.'

The commission takes the view that responsibility for the control of air pollution from domestic sources, and also from the less complex industrial plants, should continue to be exercised by local authorities. In domestic smoke control they should be assisted by guidelines drawn up by the Government. There should be more flexible arrangements for the transfer between central and local control of responsibility for industrial processes. In this connection, comprehensive new legislation is recommended, which would extend the application of the best practicable means principle to all industrial emissions, from whatever process. (At present, local authorities have much less effective control over industries, particularly where air pollution arises from non-combustion processes, than does the Alkali Inspectorate.)

The close collaboration existing between the Alkali Inspectorate and local authorities in dealing with air pollution should be continued and extended, and the commission recommends that consideration be given to allowing local authority health officers to act as deputies to the inspectorate (or HMPI) in visiting works, investigating complaints and ensuring that conditions are complied with. The central inspectorate should provide regular reports to local authorities on air pollution from centrally controlled works in their areas.

Other Matters

The commission makes a number of recommendations designed to ensure both that there should be more public accountability on air pollution matters and that the control system should be more comprehensible to the public. In the past, it considers, there has been 'much unnecessary secrecy' about air pollution and its control, and it believes that the public 'should have the right to know the state of the air they breathe and the amounts of pollution emitted' by industry. Data of air pollution emissions should be made available on a publicly accessible register; possibly on the 'consents' register.

To focus attention more clearly on air quality, the commission recommends a system of air quality guidelines which would not be legally enforceable but would provide 'objectives against which local and national air pollution control policies could be judged by all concerned'. The guidelines, which might vary according to different population concentrations and certain other criteria, should take the form of a band, the upper level of which would

correspond to the highest tolerable level of air pollution. 'If this level were consistently or significantly exceeded there would be grounds for concern and for action to reduce the pollutant concentration within a reasonable time-scrle.' These guideline bands should be established for different pollutants such as suspended particulates (smoke), sulphur oxides, nitrogen oxides, lead and carbon monoxide.

The commission believes that many air pollution problems have had their origin in bad planning: where, for example, houses and schools have been sited too near industry. It recommends that planning authorities should pay greater attention to air pollution and should incorporate air quality guidelines in their structure plans.

Government to Study Report

Mr Crosland, in a letter to Sir Brian Flowers on 15 January, thanked the Royal Commission for its report and noted in particular the emphasis laid on the need for a comprehensive approach to pollution problems, including air pollution control. He gave an assurance that the Government would 'study the implications of this concept with great care' and would give serious consideration to the many other recommendations. The report, he said, made 'a significant contribution to our future work in dealing with the difficult problems of environmental pollution control in a highly industrialised society'.

EUROPEAN COMMUNITY AGREES WATER POLLUTION CONTROL PROPOSALS

On 9 December 1975 the Council of Environment Ministers of the European Community agreed in Brussels on important proposals for controlling water pollution caused by the discharge of dangerous substances. The decision removes a significant obstacle in the search for an effective Community programme on environmental improvement, and enables Britain to continue to maintain its present system of control.

The agreement contains provisions for reducing water pollution by two methods of control: (a) the laying down of 'uniform emission standards' stipulating the maximum quantity of a substance allowed in a discharge; and (b) the setting of 'water quality objectives' which would relate the severity of the standards which discharges had to meet to the assimilative capacity of the water.

At a meeting on 16 October 1975 of the Council of Environment Ministers, Britain had been unable to support proposals for pollution control because they concentrated on 'uniform emission standards' alone and did not contain provisions for 'water quality objectives'. But at the December meeting, Britain's representative, Mr Denis Howell, Minister of State at the Department of the Environment, was able to agree to the new proposals, observing afterwards that the two approaches had been shown to be not mutually exclusive, Britain's essential interests having been safeguarded without undermining collective Community interests.

Britain's Approach

The basis of Britain's approach to water pollution control over the last 100 years has been a framework of quality objectives, and the introduction of a system based on emission standards alone would have meant fundamental changes. Britain also believed that such a system would be ineffective and a waste of resources.

The Agreement

The Community directive agreed to provides that the Council of Ministers, acting on proposals from the Commission, shall lay down both emission levels and quality objectives for a list of substances, principally on the basis of the toxicity, persistence and accumulation of the substances in living organisms.

The emission level method will apply except in cases where a member state can demonstrate to the Commission that quality objectives are being met and continuously maintained in the entire geographical area which may be affected by the discharge. It was agreed that the Commission should report to the Council the instances where it has accepted the application of the quality control methods and that every five years the Council should review the instances where the quality objectives method has been applied.

WASTE SORTING PLANTS

On 12 January, Mr Gordon Oakes, Parliamentary Under-Secretary of State at the Department of the Environment, announced that Government funds of £1·1 million over four years had been allocated for design and construction of two pilot plants to sort waste mechanically. The announcement followed recommendations by the Waste Management Advisory Council in its first report,[1] published the same day, that further development of recovery of materials by mechanical sorting of household waste was essential and that pilot plants should be set up.

Mr Oakes, who was addressing a press conference in London to introduce the report of the council, of which he is joint chairman with Mr Neil Carmichael, Parliamentary Under-Secretary of State at the Department of Industry, said that the plants were to be set up in co-operation with Tyne and Wear and South Yorkshire County Councils, which would also provide funds. The plants would each have a minimum capacity of ten tonnes an hour. One plant would test the extraction of ferrous metal and a shredded paper and plastic-rich residue suitable for fuel conversion. The other plant would test mechanical separation over a wider range of materials.

A small team of Government and local authority officials was now urgently pursuing design and construction methods with suitable manufacturers and deciding upon siting. Planning and construction were expected to take about a year.

It was anticipated that once the two plants were operating, the dual approach would help in testing techniques and markets for the sorted materials as quickly as possible.

Mr Oakes said that the pilot project followed upon the development up to trial stage of a mechanical sorting plant at Warren Spring Laboratory, funded by the Department of the Environment. The plant

[1] *Waste Management Advisory Council: First Report.* (Joint publication of the Department of the Environment and the Department of Industry.) HMSO, 80p. ISBN 0 11 751007 6.

had extracted paper, metal and glass and a paper and plastic-rich fraction suitable as fuel. It had employed conventional technology of various sorts but for new objectives. It required full-scale testing of the type to be provided by the two pilot plants.

The Government and the councils were agreed on the possibilities for making better use of household waste. One important short-term possibility, said Mr Oakes, lay in the use of untreated waste as fuel. The most comprehensive project was the Warren Spring plant, not only providing paper, metal and glass reclamation but sorting out a fraction suitable for fuel. Other longer-term schemes such as pyrolysis of waste – its destructive distillation by heat in the absence of air to produce energy – were being studied by Warren Spring Laboratory and discussions were going ahead on their larger-scale future development.

SOCIAL AND CULTURAL AFFAIRS

Smoking and Health

New Government measures to reduce the health risks of cigarette smoking were announced in the House of Commons on 16 January by Dr David Owen, Minister of State at the Department of Health and Social Security (*Hansard,* cols 802-14). These are to be part statutory and part voluntary and have received the support of the tobacco industry with the exception of those manufacturers linked with companies abroad. The new agreement will cover some 70 per cent of the British market.

The statutory part of the agreement is designed to deal with the use of substitutes for, and additives to, tobacco products (some manufacturers are attempting to provide a safer cigarette by using substitutes for tobacco). After consultation with the industry and other bodies, the Government intends to take powers under the Medicines Act 1968 to ensure that products containing a substitute or an additive have a Government product licence. This would be granted on the basis of advice received from a proposed new statutory scientific and medical committee. New products would have to go through the licensing procedure but existing products would remain available under arrangements to be discussed with the industry.

Under the voluntary part of the agreement the Government and the industry have agreed to work together on measures to reduce the risks to health. Dr Owen said that a main aim under the voluntary agreement would be to achieve a steady reduction over the next few years in the tar yield and other smoke constituents such as carbon monoxide and nicotine which were judged on independent medical and scientific advice to be excessive. The industry's promotion and advertising activities would need to be compatible with the advice received from the scientific and medical committee. Dr Owen added that the Government expected to see an end to the promotion of products containing excessive tar yields or other smoke constituents.

The cigarette manufacturers have agreed to start negotiations on further voluntary agreements within this new framework. Dr Owen said that progress on these lines would entail considerable changes for the industry in its system of manufacture, promotion and sale. This would need to be achieved by stages, for example, the dropping of gift coupons from cigarettes with a large tar content, the ending of advertising of such brands and later withdrawing them from the market.

In conclusion Dr Owen stated that he wanted the co-operation of the manufacturers and hoped that their confidence in the efficacy of voluntary agreements would be borne out in practice. If progress through voluntary agreement was insufficient to protect the public from health risks, further provisions of the Medicines Act would be applied to the whole range of tobacco products.

Education Bill

The Education Bill received its second reading in the House of Commons on 4 February by 296 votes to 255 (*Hansard,* cols 1217-1332). The Bill, which applies to England and Wales, includes provisions enabling the Secretary of State to call for proposals for the reorganisation of secondary schools along comprehensive lines (the first time these powers have been embodied in legislation). Also included are provisions which empower the Secretary of State to make regulations enabling local education authorities to charge less than the economic cost for school milk and which extend mandatory student awards to cover courses for the higher diplomas of the new Technician Education Council (TEC) (see p 193, 1973) and the Business Education Council (BEC) (see p 93, 1974). These courses will replace the existing Higher National Diploma (HND) courses.

Under the Bill local education authorities which have not yet completed secondary school reorganisation along comprehensive lines may be required by the Secretary of State to submit proposals. The Secretary of State may require governors and managers of voluntary schools to submit proposals for any changes to their schools which appear to him to be necessary to complete local authorities' reorganisation plans. The Secretary of State would have power to call for fresh proposals in place of any that were unsatisfactory.

The Bill would enable the Secretary of State to treat specific short-term proposals as if they had been submitted to him under Section 13 of the 1944 Education Act (which requires public notice to be given of the proposals and enables the Secretary of State to approve them with or without modification, or to reject them). Proposers would have to implement any proposals approved; but

proposals for a voluntary aided school would not be approved if the managers or governors satisfied the Secretary of State that they could not meet their share of the cost of implementing them.

In addition to the clauses dealing with comprehensive reorganisation, school milk and mandatory awards for students on TEC and BEC courses, the Bill provides that arrangements made by local education authorities for placing and paying for children at 'non-maintained', that is, private, schools, shall be subject to the approval of the Secretary of State.

Introducing the Bill, Mr Frederick Mulley, the Secretary of State for Education and Science, explained that by January 1975 68 per cent of secondary school children in England and Wales were in comprehensive schools and there was only one local education authority – Kingston-upon-Thames – which had no comprehensive school. Nevertheless, there were seven local education authorities which had declared their intention in principle of retaining some measure of selection and there were a small number of voluntary schools likely to be an impediment to complete reorganisation on comprehensive lines. Faced with this impasse and unable to progress further by discussion and agreement towards its declared policy of comprehensive education for all, the Government had therefore introduced this Bill.

The principal opposition speakers emphasised that their main objection to the Bill was not to comprehensive schools as such but to the centralisation of power and to the imposition of a uniform pattern, which was at best irrelevant to true educational needs and might indeed prove harmful to educational standards.

Housing Developments

NEW BUILDING IN 1975

Provisional housing figures for Great Britain in 1975, published on 29 January by the Department of the Environment, indicate a substantial increase in new building over the previous year. It is estimated that in the public sector 173,000 new dwellings were started, and in the private sector 147,000, representing increases of 26,000 and 42,000 respectively over 1974. Completions in the public sector totalled 160,000 – an increase of 31,000 – and in the private sector 150,000 –an increase of 11,000.

EXPENDITURE ALLOCATIONS FOR 1976

The Government's policy of encouraging the best possible use of the existing housing stock was underlined in a statement by the Secretary of State for the Environment, Mr Anthony Crosland, on 7 January, when he announced the 1976-77 allocations to housing authorities for expenditure on municipalisation, the renovation of council-owned dwellings, lending for house purchase and loans to housing associations. In reaching his decisions, the Minister took account of the views of a study group on Programmes of Social Ownership and Renovation of Council Dwellings, set up in May 1975 under the chairmanship of the Minister for Housing and Construction, Mr Freeson, to advise on the assessment of priorities.

Out of a total of £769 million, £175 million is being allocated for a municipalisation programme which will be designed to concentrate on the acquisition of older dwellings by local authorities, with particular emphasis on areas of greatest housing stress; and £260 million, together with a special addition of £10 million as part of the package of measures to reduce unemployment in the construction industry (see pp 409-10, 1975 and pp 28-30), will be devoted to renovation and improvement of council-owned dwellings.

Announcing an allocation of £220 million to be made available for local authority lending for house purchase, to be used in a way 'which will reflect the needs of each local authority to finance purchases of older property', the statement noted that Mr Crosland had been greatly encouraged by the commitment of building societies to the principle of continuing to give help wherever possible 'so that the limited funds available for lending by local authorities may be used to the best advantage'. He would look to local authorities to act as lenders of last resort.

The statement also noted that during the current financial year there had been a steep rise in the number of applications for grant and loan approvals for housing association schemes financed by local authorities. To reflect the consequences of this, public expenditure provision was being increased, from £82 million in the current year to £104 million in 1976-77, of which 85 per cent would be required to cover expenditure on projects already approved. It would therefore be necessary to control the number of new approvals to a level considerably below that of 1975-76. Arrangements were being made to ensure that local authorities' lending to housing associations would be directed primarily into the areas of greatest housing stress.

HOUSING CO-OPERATIVES

The final report of a working party on Housing Co-operatives, set up in 1974 by the Minister for Housing and Construction (see p 43, 1975), was published on 16 January.[1] It recommended, among other things, the encouragement of housing co-operatives[2] on local authority estates and within the housing association sector, and proposed that, at national level, responsibility for providing guidance for co-operatives should be undertaken by the Housing Corporation (see p 419, 1975).

[1] *Final Report of the Working Party on Housing Co-operatives.* HMSO, £2. ISBN 0 11 751013 0.

[2] The expression 'housing co-operatives' is used as a generic term to cover: management co-operatives in which the tenants have collective responsibility for some or all of the management functions but do not own or lease the property; non-equity co-operatives in which the tenants collectively own or lease the property but have either no individual stake in the equity or a stake limited to a share repayable on leaving at its original par value; co-ownership, in which the tenants collectively own and manage the property and share in the equity through a leasehold interest or an entitlement to payments on leaving. It also covers secondary co-operatives which provide advisory and other services for the primary co-operatives to which they are responsible.

These recommendations have been accepted by the Government, which has issued a circular[1] to local authorities providing detailed guidance for those authorities which wish to apply for approval of agreements with co-operatives on their own estates. The Government also commends the contribution so far made by housing associations to the development of housing co-operatives and agrees with the working party's view that they have a particularly important part to play. The Housing Corporation has agreed to set up a specialist unit to sponsor and advise housing co-operatives, especially those which are registered housing associations; and the Secretary of State has set up an advisory committee, which will be chaired by a member of the Housing Corporation board and will include people active in the field of housing co-operatives, to provide guidance to the Housing Corporation in this new role.

Decisions on other proposals made by the working party have been deferred pending the completion of the housing finance review now being undertaken by the Government and the report of the working party on new forms of tenure set up in November 1975 (see p 498, 1975).

HOUSING DESIGN AWARDS

Entries were invited in January for the 1976 Good Design in Housing Award Scheme sponsored by the Department of the Environment in collaboration with the Royal Institute of British Architects. The scheme, which applies to England only, has been in operation since 1961. By focusing attention on well-designed examples of contemporary housing, it aims to encourage the achievement of good design, the planning of schemes which are well related to the environment in which they are placed, and the provision of houses which are suited to the needs of the people who live in them.

The 1976 awards will be made in the same five categories as for 1975 (see p 78, 1975); that is, in four categories of new housing schemes, completed between June 1972 and June 1975, and in schemes for the improvement of the environment in 'general improvement areas' (set up under the Housing Act 1969). Except in the category of schemes incorporating dwellings specially designed for disabled people, which will be judged on a national basis, all entries will be judged by one of nine regional committees.

In 1975 the competition included a special award to mark European Architectural Heritage Year (see p 451, 1975).

The results of the 1975 Good Design in Housing in Wales Awards Scheme were announced on 2 February. Out of 28 entries, one scheme – a development in Gwent specially designed for old people – received a medal, and two others were highly commended. The scheme is promoted by the Secretary of State for Wales in collaboration with the Royal Institute of British Architects, the Institute of Housing and the National House Building Council.

[1] *Housing Co-operatives* (Department of the Environment). 30p. ISBN 0 11 750997 3.

National Parks

The Government's conclusions on the report of the National Park Policies Review Committee (the Sandford report – see pp 237-9, 1974) were published in a joint circular[1] issued by the Department of the Environment and the Welsh Office on 12 January to local authorities and other interested bodies.

Ten national parks, comprising land which remains largely in private ownership, have so far been established in England and Wales; they cover some 9 per cent of the total area. The parks are administered by national parks authorities comprising members of the local planning authorities with some members appointed by the Government. Supervisory and advisory functions in connection with the parks are undertaken by the Countryside Commission, a statutory body which keeps under review the conservation and enhancement of landscape beauty and amenity in England and Wales and the provision and improvement of facilities for the enjoyment of the countryside.

In a written reply to a question in the House of Commons on 12 January (*Hansard*, cols 9-11), Mr Denis Howell, Minister of State at the Department of the Environment, outlined some of the Government's main conclusions and paid tribute to the work of the Sandford committee and to the contribution made by the Countryside Commission. The national parks, he said, were 'one of our most important national assets', and it was appropriate that now, some twenty years after they had been designated, 'we should thoroughly review future long-term policies for them'. He noted that the Countryside Commission did not agree with all the Government's conclusions.

The following notes summarise some of the principal points covered in the joint circular.

Policy and Finance

On the central issue of conservation versus public enjoyment of the parks, the Government endorses the committee's view that, while both aspects must continue to be given due importance and the main emphasis must be on positive policies designed to reconcile conflicts, in situations where the two purposes are irreconcilable, 'priority must be given to the conservation of natural beauty'. Guidelines to this effect will be given to the national parks authorities.

Considering the question of finance, the Government states that national parks cannot be exempted from the general need to reduce public expenditure, and that the overriding duty of the authorities over the next few years will 'necessarily be to ensure that limited resources are employed with discrimination and in the most cost-effective way possible'. It points out that since the Sandford committee was appointed in 1971 the approved level of annual expenditure by the national parks authorities has almost trebled and central Govern-

[1] *Report of the National Park Policies Review Committee*. Circular 4/76 (Department of the Environment). Circular 7/76 (Welsh Office). HMSO, 28p. ISBN 0 11 750993 0.

ment's contribution has risen from about 33 per cent to some 75 per cent.

Areas and Administration

The committee's recommendations that, in considering new national parks, the Countryside Commission should examine more diverse types of landscape, and that an effort should be made to redress the present uneven geographical spread, will be borne in mind by the Government; but it is pointed out that 'quality must . . . clearly take precedence over geographical spread, especially now that the existing national parks are accessible to a far wider population than when they were designated'. The Government does not accept the committee's recommendation that no future designation of a national park should be rejected without the holding of a public inquiry; and considers that amendment of the present legislation (under which objectors to designation have a right to be heard, but there is no obligation for the Secretary of State to hold a public inquiry) would not be justified. It is accepted that radical alterations to national park boundaries are undesirable; but if national park plans revealed problems which could be alleviated by boundary adjustments the Government would be prepared to consider these on their merits. It is agreed that the law should be amended so as to secure that orders to vary national park boundaries would normally be made by the Countryside Commission, subject to confirmation by the Secretaries of State for the Environment and for Wales. Such orders would be the subject of public local inquiry in the event of sustained objections to them. The committee's proposal that, during the preparation of national park plans, public bodies holding land in them should review ways in which they could make a positive contribution to national park purposes, including access, is endorsed.

Conservation and Development Control

A new procedure recommended by the committee for identifying and giving special protection to areas of the highest environmental quality in national parks – to be called 'national heritage areas' – is rejected by the Government, which takes the view that 'the formal designation of particular areas within a national park would tend to reduce the status of, and the degree of protection afforded to, the remainder'. However, the Government accepts the committee's view that different areas of the parks will call for a variety of planning and management policies, and states that it will be for the authorities to lay down and implement policies appropriate for areas of the kind envisaged in the committee's recommendation.

The committee made a number of recommendations on management agreements, land acquisition and compulsory purchase. The Government accepts that powers are needed to enable management agreements to be made between landowners and the park authorities as an alternative to acquisition, and will introduce legislation to this effect. It also agrees, in principle, that there is a case for a more vigorous policy of public acquisition, and states that 'a number of steps have been taken or will be taken to facilitate such acquisition where this is thought desirable'. However, it does not consider that the need for park authorities to be given 'a compulsory power of last resort to acquire land to conserve its natural beauty', as recommended by the committee, is fully substantiated, and intends to see how the new arrangements for acquisition and management by agreement work out before reconsidering this matter.

The need seen by the committee for improved co-ordination of agricultural and environmental policies, at both national and local level, is accepted. Arrangements within central Government are being strengthened and advice has been given to park authorities on the need for full consultation with local representatives of the Government departments and the agencies concerned and with the farming community. Further advice will be provided to farmers by the Ministry of Agriculture, Fisheries and Food. The Government agrees with the committee that the Landscape Areas Special Development Order (requiring planning approval for the design and external appearance of agricultural buildings), which at present covers only a limited area of the national parks, should be applied to the whole area, and that its scope should be extended to include approval of siting as well as of design and materials. In selected cases, farmers should be assisted to meet the extra costs incurred as a result of accepting design standards appropriate in the national parks, and authorities should be empowered to make discretionary grants.

The Government finds itself unable to accept the committee's recommendation that forestry in the national parks should be brought within planning control procedures, and takes the view that administrative arrangements established since the committee's report, providing for consultation between the interests involved, make the imposition of planning control unnecessary. Another of the committee's recommendations on forestry is commended: namely that there should be consultation with forestry interests in the preparation of national park plans and forestry maps, in plans for the preservation of broad-leaved woodlands, and in surveys of the amenity, wildlife and recreational value of woodlands.

On the question of mineral workings in national parks, the Government is again unable to accept the committee's recommendation that no applications for substantial new workings or extensions to existing workings should be allowed except with the consent of the Secretary of State after a public inquiry. It considers that normal planning procedures should operate.

The Government agrees with the committee that there is a need to encourage employment in national parks – 'in particular, suitable light industry would be welcome' – and that there are problems of housing for people who live in the national parks. Guidelines on housing control have been given to local authorities, and the potential role of housing associations in assisting local authorities to meet special housing needs is stressed.

While agreeing that planning permission for new sites in national parks for static caravans should always include conditions ensuring that

they are not occupied as permanent residences, the Government concludes that the committee's recommendation for the exclusion of all caravans in continuous residential occupation raises problems as regards existing sites, and feels that 'no strong case has been made out for active measures to remove existing caravans'. Appropriate provision should be made for touring caravans, subject to the qualification made by the committee itself that 'the total volume of sites to be provided . . . must be governed by the overriding consideration that the capacity of the park as a whole to absorb those uses and the traffic they generate without degradation of its environmental qualities must not be exceeded'. The committee's proposal that touring caravan sites should be located outside, or on the periphery of, national parks is rejected on the grounds that 'this would only serve to create more planning problems outside the parks than it will solve within'.

Recreation and Tourism

The Government agrees with the committee that future policies for the recreational use of the national parks should be related to the particular qualities and capacities of different types of area, and that high priority should be given to the provision of more country parks (areas within easy reach of urban centres and intended primarily for outdoor recreational purposes). It shares the committee's view about the importance of access to the open country and is taking action to ensure that public bodies which own land in the national parks co-operate fully with the park authorities.

On the question of noise produced by recreational pursuits, the Government states that the Noise Advisory Council has been asked to consider this problem. When it has done so, the Countryside Commission will be invited to consider with the Sports Council how noise emissions, especially over water, can be reduced to acceptable levels.

The committee's recommendation that respect for the environmental qualities of the national parks should be a primary aim in the development and management of tourist accommodation is fully endorsed, and park authorities are reminded that they have powers to provide hostel accommodation for young people and that they should, wherever possible, assist organisations providing low-cost accommodation primarily for young people.

Roads and Traffic

Recommendations made by the committee on trunk roads in relation to the national parks are already in effect to a considerable extent, since it is now Government policy that new roads for long distance traffic should not be constructed through national parks and that roads which exist should not be upgraded unless there is a compelling need which would not be met by any reasonable alternative means. Local highway authorities are being asked to take account of this policy in respect of roads for which they are responsible and are being reminded of the contribution to the effective planning of the parks which can be made by their powers to make traffic regulation orders controlling the routes of heavy vehicles. The Government endorses 'in the strongest possible terms' proposals made by the committee aimed at increasing the involvement of the park authorities in road and traffic management schemes. It also agrees with the recommendation that the park authorities should be enabled to exercise all the functions related to footpaths and bridleways now vested in highway authorities, and points out that in a number of national parks this has already been done under provisions of the Local Government Act 1972. It believes that there is scope for local initiatives to modify the existing network of footpaths and bridleways so as to reconcile the increasing demands for access for recreation with the needs of the farming community; and it is examining whether any changes are needed in the administrative or legislative framework to facilitate such initiatives.

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Speaker of the House of Commons. Mr George Thomas, Labour MP for Cardiff West, was elected Speaker of the House on the retirement of Mr Selwyn Lloyd, MP. Mr Oscar Murton, Conservative MP for Poole, is the new Chairman of Ways and Means; his two deputies are Sir Myer Galpern, Labour MP for Glasgow, Shettleston, and Mr Godman Irvine, Conservative MP for Rye. *Hansard,* 3.2.76, cols 1139-70.

Devolution in Great Britain. COI, Factel No 652.

Devolution to Scotland and Wales. A four-day general debate on the Government's devolution proposals (see pp 467-70, 1975) took place in the House of Commons in January. *Hansard,* 13/14/15/19.1.76, cols 207-344, 398-546, 590-742 and 925-1076 respectively.

Parliamentary Commissioner for Administration and Health Service Commissioner. Sir Idwal Pugh, at present Second Permanent Secretary at the Department of the Environment, is to succeed Sir Alan Marre as Parliamentary Commissioner and Health Service Commissioner for England, Scotland and Wales on 1 April. *Hansard,* 23.1.76, written answers, cols 584-5.

Criminal Procedure in Scotland and France. A comparative study, with particular emphasis on the role of the public prosecutor. HMSO, £8. ISBN 0 11 491329 3.

Scottish Law Commission Tenth Annual Report, 1974-75. HMSO, 60p. ISBN 0 10 209376 8.

Economic and Scientific Affairs

Cyclical fluctuations in the United Kingdom economy. This analysis of fluctuations in Britain's economic activity between 1958 and 1973 shows, among other findings, that the British economy has been more stable than the economies of most other major industrial countries. Discussion paper 3. National Economic Development Office. £1.

Inland Revenue. 118th report of the commissioners for the year ended 31 March 1975. Cmnd 6302. HMSO, £1·80. ISBN 0 10 154870 2.

Local Government Financial Statistics. England and Wales 1973-74. HMSO, £1·50. ISBN 0 11 750561 7.

Special Deposits. The Bank of England, with the approval of the Chancellor of the Exchequer, has decided to reduce the rate of call for special deposits (see p 450, 1973) from 3 per cent to 2 per cent of the eligible liabilities of all banks (except those in Northern Ireland) and deposit-taking finance houses with effect from 19 January; and to restore the rate of call to 3 per cent with effect from 10 February. Bank of England press notice, 15.1.76.

Minimum Lending Rate (MLR). The Bank of England's MLR fell by 0·75 per cent on 24 December, and again on 2 January and 16 January, to reach 10·75 per cent. Economic Progress Report No 71, prepared by the Information Division of the Treasury. Available from Circulation Section (H), Central Office of Information.

Employment Protection Act 1975 (see p 495, 1975 and p 45). In a written answer to a question in the House of Commons the Minister of State for Employment, Mr Albert Booth, said that the Government intended to implement the provisions of the Act on the handling of redundancies and insolvency in April 1976 (but see below); this would be followed, probably in June 1976, by the implementation of the main group of individual rights set out in Part II of the Act, including those relating to trade union membership and activities, the new maternity rights other than pay, and most of the amendments to the unfair dismissal legislation and the Redundancy Payments and Contracts of Employment Acts. The Government was aiming to introduce most of the remaining provisions during the second half of 1976, apart from those on guarantee payments and itemised pay statements, which it hoped to implement early in 1977, and those relating to maternity pay, which would come into force in April 1977. *Hansard,* 13.1.75, written answers, cols 132-3. [The procedures for handling redundancies under the Act will now be brought into force on 8 March 1976. Department of Employment press notice, 4.2.76.]

Job Satisfaction. A research programme, costing £207,000, to explore ways of improving the quality of working life and to demonstrate what can be done towards this end has been announced by the Tripartite Steering Group on Job Satisfaction (see p 42, 1975). The money has been allocated to ten

universities and research institutes to enable them to carry out projects at the workplace in conjunction with managements, trade unions and employees. Department of Employment press notice, 15.1.76.

Limit on Work Permits in 1976. A reduction in the number of work permits available for foreign nationals coming to Britain as hotel and catering or domestic and hospital workers was announced in the House of Commons by Mr John Fraser, Parliamentary Secretary at the Department of Employment. (The present quotas were announced in February 1975 – see p 117, 1975.) Mr Fraser said that the quota of permits for the hotel and catering industry would be reduced from 8,500 to 6,000 and that for domestic and hospital workers from 8,000 to 2,500 (in 1975 only 3,000 permits were issued for the latter category). Mr Fraser emphasised the importance of employers taking the maximum advantage of the present employment situation in Britain to recruit and train workers from the resident labour force. *Hansard*, 3.2.76, written answers, cols 559-61.

International Labour Convention No 114 concerning Fishermen's Articles of Agreement adopted by the General Conference of the International Labour Organisation at its forty-third session. Cmnd 6343. HMSO, 20p. ISBN 0 10 163430 7.

Manpower Services Commission (MSC) (see p 69, 1974). From April 1976 the chairman of the MSC will be Mr Richard O'Brien, following the retirement of Sir Denis Barnes from the public service. Mr O'Brien is at present chairman of the Employment Policy Committee of the Confederation of British Industry. Department of Employment press notice, 15.1.76.

Britain's Overseas Trade and Payments. COI, R5529.

International Trade 1974-75. General Agreement on Tariffs and Trade. Available through HMSO, £5·40.

Industrial Relations Procedures. Department of Employment Manpower Paper No 14. This paper describes industrial relations procedures in Britain. It concludes that improved procedures can make an important contribution to better industrial relations, establish accepted standards of behaviour, give early warning of problems and provide fair and rational arrangements, and thus affect the whole style, tone and morale of an enterprise. HMSO, £1·20. ISBN 0 11 360693 1.

Board of Inland Revenue. The Survey of Personal Incomes 1973-74. As in 1975 (see p 293, 1975), this booklet has been produced pending publication in greater detail in due course of *Inland Revenue Statistics 1976*. The tables include distributions of personal income before and after tax and distributions by marital status, size of family and type of income; there is also a summary table showing regional incomes. Available from Public Enquiry Room, Room 8, New Wing, Somerset House, Strand, London WC2R 1LB. 35p.

New Earnings Survey 1975. Part C. Analyses by Industry. (See p 496, 1975 and pp 44-5.) HMSO, 80p. ISBN 0 11 723798 1.

Dividend Controls. The Treasury has clarified the situation of companies which have passed their dividends or reduced them below the level of the previous year in respect of a financial year that came under the current statutory controls (see footnote, p 269, 1975). Provided that the company's dividend was reduced for one year only, such a company may apply for a return to the higher level of the previous year plus the current statutory increase of 10 per cent. (Since 1 April 1973 the rule has been that companies may return to a level of dividends achieved at least twice in the previous ten years. Because of lower profits, a number of companies may be considering declaring a reduced dividend in order to retain a higher proportion of their profits for investment and working capital, but with the expectation of being able to return to a more normal level next year. The change is intended to make it easier for companies in this position to declare the dividend they regard as prudent in current circumstances.) Treasury press notice, 16.1.76.

Price Commission. Report No 12. Prices and Margins in the Distribution of Coal and Solid Smokeless Fuels for Domestic Consumption. Among the report's recommendations are that fuller information about prices should be made available in each district, as prices vary greatly between one place and another and between one trader and another; and that while in general profits were moderate, the trade should consider what might best be done to lessen differences in profit between one trader and another and to allow the consumer to benefit from lower prices where these can be justified. HMSO, 65p. ISBN 0 11 700297 6.

[In reply to a question in the House of Commons on 28 January (*Hansard*, written answers, cols 243-6), the Parliamentary Under-Secretary of State for Prices and Consumer Protection, Mr Robert Maclennan, welcomed the report and said that the Government would take action to implement its recommendations.]

Health and Safety Executive. Final Report of the Advisory Committee on Falsework (see pp 194-5, 1974). The report makes 27 principal recommendations aimed at eliminating collapses of falsework in the construction industry and contains chapters on technical reasons for collapse; procedural inadequacies; technical recommendations; recommended procedures; training and manpower; and implementation of recommendations. In a statement at a press conference following publication of the report, Mr Stephen Bragg, Vice-Chancellor of Brunel University and chairman of the advisory committee, said that the committee hoped that some of its recommendations might have a relevance beyond the context of falsework and benefit those who worked in the construction industry in activities outside the scope of its immediate inquiry. HMSO, £2. ISBN 0 11 880347 6.

[The committee's interim report (see pp 194-5, 1974) has been translated into 17 languages.]

National Radiological Protection Board. Radon and its Daughters in Various British Mines, by J. C. Strong, A. J. Laidlow and M. C. O'Riordan. This report describes the results of two surveys commissioned by the Mines and Quarries Inspectorate which show that some miners in non-coal mines could be exposed to a long-term health risk from breathing a radioactive gas called radon, which is released naturally from radioactive minerals in the earth's crust. Available from HMSO, 50p. ISBN 0 85951 037 9.

European Community Regional Development Fund. The European Community Commission announced on 3 February that a further £3 million towards the cost of 47 projects in the United Kingdom has been allocated from the European Community Regional Development Fund. This is the first allocation from the fund of the United Kingdom's share in 1976 of about £58 million. Department of Industry press notice, 3.2.76.

European Community Finance for the British Steel Industry. The Commission of the European Communities announced, on 27 January, three loans to the steel industry in Britain. The loans, granted under the European Coal and Steel Community Treaty, total £85 million. They will contribute to the modernisation of the steel industry in Britain and create a substantial number of new jobs in the areas concerned. This loan brings the total of European Community industrial loans to the British steel and coal industries to £356 million since January 1973. European Communities Commission press release, 27.1.76.

The British Motor Vehicle Industry. This White Paper outlines the Government's policy towards the British motor vehicle industry, including its response to reports by the House of Commons Expenditure Committee and the Central Policy Review Staff (see p 23). The paper reviews the present position of the car industry, noting the CPRS assessment; other sections cover the future for the passenger car industry; implications for employment; the commercial vehicle industry; the components industry; the Government's approach to the car industry; and plans for Chrysler UK (see p 23). It concludes that the Government must discuss and agree plans for improving efficiency and productivity with the companies concerned; companies will be asked to undertake jointly with representatives of their employees a plant-by-plant study of problems. The Annex to the paper sets out the Government's response to the reports on the motor vehicle industry and the further development of policy resulting from them. Cmnd 6377. HMSO, 38p. ISBN 0 10 163770 5.

Mechanical Engineering Industry – Short term trends. Report by the Short Term Trends Working Party of the Mechanical Engineering Economic Development Committee. The latest forecast is that the upturn in home orders for mechanical engineering products now seems likely to occur in the fourth quarter of 1976 or early in 1977. The various schemes to stimulate investment and facilitate modernisation introduced under the Industry Act 1972 during the last six months are expected, however, to bring a limited revival in UK demand on some sectors of the industry in 1976. Available from Neddy Books, National Economic Development Office, Millbank Tower, Millbank, London SW1P 4QX.

Consumer Credit Licensing. Issue of booklet, *Do you need a licence?,* giving guidance on the licensing system laid down by the Consumer Credit Act 1974 (see p 176, 1974). This will eventually cover all businesses involved in or connected with credit or hire and applicants will have to satisfy the Director General of Fair Trading that they are fit persons to engage in those activities for which a licence is sought. Obtainable from the Office of Fair Trading, Chancery House, 53 Chancery Lane, London WC2A 1SP.

The Structure of the Electricity Supply Industry in England and Wales: Report of the Committee of Inquiry. The report recommends that the industry should be brought under the control of a single statutory body which would assume the functions of the Electricity Council, the Central Electricity Generating Board and the area electricity boards. The Secretary of State for Energy is seeking the views of those concerned before reaching conclusions on the report. Cmnd 6388. HMSO, 95p. ISBN 0 10 163880 9.

Coal. COI, FSI/15.

Routes for Heavy Lorries. The Minister for Transport, Dr John Gilbert, has announced proposals to establish a network of through routes for heavy lorries to enable them to avoid environmentally sensitive areas while maintaining an efficient system of distributing goods. The Government has appraised comments received on its consultative document issued in July 1974 and the Department of the Environment will be discussing the preliminary conclusions with the main organisations. *Hansard,* 22.1.76, written answers, cols 545-6.

Inland Transport in Britain. COI, R5633.

Roads in Scotland. Report for 1974. Cmnd 6346. HMSO, 45p. ISBN 0 10 163460 9.

Concorde. COI, Factel No 662.

Second Reports of the Boards of the Joint Consultative Organisation for Research and Development in Agriculture and Food. HMSO, £1·70. ISBN 0 11 240625 4.

First Report from the Select Committee on Science and Technology: 2nd Report on Scientific Research in British Universities. House of Commons paper 87, Session 1975-76. HMSO, 75p. ISBN 0 10 208776 8.

Institute of Terrestrial Ecology (of the Natural Environment Research Council). First Annual Report for 1974. HMSO, £2·75. ISBN 0 11 880763 3.

Weights and Measures Act 1963 (Biscuits & Shortbread) Order 1975. Requires biscuits when prepared

to be put up in prescribed quantities – the first product to be added to those which must be sold in prescribed quantities. The imperial range is included but industry is to adopt metric quantities. Twenty-one imperial pack sizes will be replaced initially by six and later by five metric quantities. *Hansard, HL,* 15.1.76, col 334.

Control of Pollution Act 1974 – Part 1 (Waste on Land) Commencement Order No 4. 2 January 1976. HMSO, 20p. ISBN 0 11 750989 2.

Development Co-operation, 1975 Review. Efforts and policies of the members of the Development Assistance Committee. OECD, £5. ISBN 92-64-11443-2.

Social and Cultural Affairs

Sex Discrimination. A guide to the Sex Discrimination Act 1975. Available from the Equal Opportunities Commission, Overseas House, Quay Street, Manchester M3 3HN. Free on demand.

Census 1971: Great Britain. Economic Activity Part IV (10 per cent sample). Analyses occupational changes between 1961 and 1971, indicating that there was a fall in the numbers of production workers, farmers and miners, and an increase in the number of managers, administrators, professional and scientific workers. The move towards jobs of higher status was accompanied by a move towards non-manual work. HMSO, £9·50. ISBN 0 11 690192 6.

Census 1971: England and Wales. Workplace and Transport to Work Tables, Part II (10 per cent sample). Indicates that the number of people who used public transport as a means of travelling to work fell between 1966 and 1971 by 17 per cent, due mainly to a decrease in numbers travelling by bus. The number using other means of getting to work, principally private cars, rose by 7·7 per cent. HMSO, £8·70. ISBN 0 11 690536 0.

Royal Commission on the National Health Service. The Prime Minister announced on 27 January that Sir Alec Merrison, Vice-Chancellor of the University of Bristol, would be the chairman of the Royal Commission (see p 449, 1975). The other members will be appointed as soon as possible. *Hansard,* 27.1.76, written answers, cols 125-6.

Health Agreement with the Federal Republic of Germany. Under a health agreement concluded between Britain and the Federal Republic of Germany, UK nationals who are self-employed and non-employed (and their dependants) become eligible for medical treatment when visiting the Federal Republic. The agreement came into effect on 1 February and treatment is free with a small charge for medical prescriptions, provided that a special certificate of entitlement is given to the Federal German sickness insurance authorities. Employed people visiting the Federal Republic are already entitled to medical treatment under the social security regulations of the European Community. Department of Health and Social Security press notice, 29.1.76.

Prolonged Sickness and the Return to Work. An inquiry carried out on behalf of the Department of Health and Social Security by Jean Martin and Margaret Morgan. Office of Population Censuses and Surveys. HMSO, £6. ISBN 0 11 700694 7*.

Special Reports and Minutes of Evidence of the Select Committee on the Abortion (Amendment) Bill together with the proceedings of the Committee. Session 1974-75. HMSO, £6·55. ISBN 0 10 009965 3*.

Non-accidental Injury to Children: Proceedings of a conference at the Department of Health and Social Security on 19 June 1974. Department of Health and Social Security. HMSO, 95p. ISBN 0 11 320632 1.

The British Council. Annual Report 1974-75. HMSO, 50p. ISBN 0 900229 21 7.

The British Library. Second Annual Report 1974-75. Published by the British Library Board, Store Street, London WC1E 7DG. 50p. ISBN 0 904654 05 2.

Future of the British Film Industry. Report of a working party set up by the Prime Minister in August 1975 to consider the requirements of a viable and prosperous British film industry over the next decade. The report's main recommendations include an increase in the total investment in British film production from the present £25 million to £40 million – to be met in part by a Government fund and investment by the British Broadcasting Corporation and the independent television companies; and the creation of a British Film Authority which would assume responsibility for the film functions at present fulfilled by the Department of Trade and the Department of Education and Science. Cmnd 6372. HMSO, 50p.

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